



## **U.S. Department of State FY 2000 Country Commercial Guide: Australia**

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## **CHAPTER I: EXECUTIVE SUMMARY**

This Country Commercial Guide (CCG) presents a comprehensive look at Australia's commercial environment, using economic, political and market analysis. The CCGs were established by recommendation of the Trade Promotion Coordinating Committee



(TPCC), a multi-agency task force, to consolidate various reporting documents prepared for the U.S. business community.

Country Commercial Guides are prepared annually at U.S. embassies through the combined efforts of several U.S. Government agencies.

The commercial environment in Australia for U.S. businesses is exceptionally "friendly". With the United States' only significant bilateral trade surplus in Asia (about \$7.3 billion in 1998), American names are commonplace in the market. For the past five years, U.S. companies have been the leaders in direct foreign investment into Australia. In trade and investment, partnering and strategic alliances, the opportunities for U.S. companies are growing. Through 1998, cumulative U.S. investments in Australia totaled US\$48 billion.

Australia's receptivity to a broad range of U.S. goods and services is well-documented, offering opportunity to a wide variety of U.S. exporters. Moreover, Australians' willingness to give "new" things a try positions Australia as an ideal market in which to test the international appeal of a product or service. With highly-developed media and advertising sectors and the use of English, copy and promotional material may require little adjustment. Australia's comparable technological development can mean that if a product or service finds the American market "ready," it will probably find the Australian market is ready as well.

To these factors, one should add that of geography. While location may not appear important to the majority of American exporters, companies new to the Asia/Pacific region should consider that Australia is far closer to many emerging Asian markets than is the United States. This fact will not mean the same to every firm, but it is recommended that any U.S. business initiating relationships with ASEAN or Indian Ocean markets, should consider whether establishing part of their regional operations in Australia makes business sense. The list of American and other companies that have established their regional headquarters in Australia is impressive. Companies might also look at Australia as a source of like-minded potential joint-venturers.

The similarities in the economies of Australia and the U.S. are striking. They include: the current account situation; a significant trade deficit; a low savings rate; declining union membership; an expanding services sector; a strong focus on the Asia/Pacific Region; ready acceptance of product and marketing innovation; the availability of a major money center; and an increasing trend towards privatization. A similar language adds to that "at home" feeling, as does the presence of the many familiar corporate names.

The similarities make it easy to assume that the business environments are identical. They are not. Perhaps the most striking variance is the different role of government, and attitudes toward that role, in the conduct of day-to-day business. In Australia, the Federal and State governments have traditionally been more overt players in the economy than their American counterparts. While privatization and an evolving philosophy of what the government's role should be are narrowing the gap, in general, American managers will find that they have to take government regulation into account to a greater degree than at home. Also, U.S. business should keep in mind that business networking here is as important as in the U.S. in getting business done.

A strong period of high growth and prudent fiscal and budgetary policies has helped Australia pass through the Asian Financial crisis relatively unscathed. In addition to low inflation, falling unemployment and lower interest rates, the Australian economy has expanded 4.7 percent, one of the best growth rates in the industrialized world for 1998. One concern in this otherwise rosy picture is the growth of the current account deficit. As the economies of Australia's major Asian partners slow down or enter recession, clearly some sectors have and will continue to experience the effects of a drop in exports.

Lower prices and regional demand for many of Australia's key mineral and agricultural exports, along with the lower Australian dollar, may have an adverse effect on the overall economy. With the higher U.S. dollar, U.S. exporters attempting to maintain market share are facing fiercer price competition. At the same time, U.S. investors may find even greater opportunities than before.

In general, the Australian economy is far more dependent than the United States on commodity exports and, consequently, is subject to more precipitous changes of direction. Moves to broaden the economic base are intended to put an end to the "boom and bust" tradition. The long distances that businesses must cope with in both countries are similar, though what lies between any two points in terms of population centers and customers, is very different.

More changes to the economy are expected as the ruling Liberal-National Party Coalition, in its second term, plans to improve the business environment. This year, the government has kept public spending in check, encouraged additional privatization of public assets and outsourcing of services, and has embarked on a complete review of the business and personal taxation system. As in the U.S., the services sector is making striking gains in importance relative to manufacturing. This trend, encouraged by the government, is not a zero sum situation. While these coming changes will ultimately improve the commercial environment, right now most Americans will find comfort in the ease with which day-to-day business life progresses.

In summary, Australia is as competitive a marketplace as any, and one of opportunity for American companies. Demand spans the range of U.S. exports, barriers both formal and informal are few, and innovation is welcomed.

Country Commercial Guides are available for U.S. exporters from the National Trade Data Bank's CD-ROM or via the Internet. Please contact Stat-USA at 1-800-Stat-USA for more information. Country Commercial Guides can be accessed via the World Wide Web at <http://www.stat-usa.gov>; <http://www.stat.gov/>; and <http://www.mac.doc.gov>. They can also be ordered in hard copy or on diskette from the National Technical Information Service (NTIS) at 1-800-553-NTIS. U.S. exporters seeking general export information/assistance and country-specific commercial information should contact the U.S. Department of Commerce, Trade Information Center by phone at 1-800-USA-TRADE or by fax at (202) 482-4473.

## **CHAPTER II: ECONOMIC TRENDS AND OUTLOOK**

## **A. MAJOR TRENDS AND OUTLOOK**

The Australian economy enjoyed its seventh consecutive year of growth in 1998, recording an annual increase in Gross Domestic Product of 4.7%. Policy makers and forecasters have been surprised by how well the Australian economy has survived the Asian economic downturn, especially given Australia's significant trade exposure to the region. The outlook for the medium term is good, with a moderate growth slowdown expected over 1999-2000, followed by an export-led recovery. Growth forecasts for 1999 average 3.0%, rising towards 4.0% for 2000.

The excellent performance of the Australian economy in recent years can be attributed mostly to strong domestic demand. Household consumption grew at an average rate of over 5 pct p.a. over 1997 and 1998, as consumers reveled in an environment of low inflation, low interest rates, rising asset prices and falling unemployment. Housing construction and business investment recorded steady growth during 1998, with both sectors coming to the end of boom periods lasting two and six years, respectively. Services sectors have been the main beneficiaries of the boom in household consumption, easily outpacing other areas of production. The fastest growing sectors during 1998 were wholesale trade (9.6 pct p.a.), communications services (8.9 pct), property/business services (8.5 pct), accommodation and restaurants (7.5 pct), personal services (5.8 pct) and the transport, financial services, construction, health and cultural sectors (3-5 pct).

The mining sector, however, had a particularly difficult year in 1998, with declining export volumes and falling commodities prices (due in large part to the Asian economic downturn) contributing to an 8.5 pct contraction in production by the sector in 1998. As a direct result, investment in the mining sector has come to a near standstill, and is not expected to recover until export conditions improve. Agriculture and manufacturing -- also sectors with significant export exposure -- both grew by a relatively sluggish 2.8 pct in 1998.

Australia's good inflation record looks set to continue throughout 1999-2000, and prospects for the unemployed have improved slightly. Price inflation is currently well below its official target range of 2-3 pct, and is expected to rise within this range sometime during 1999. The current trend of moderate wage increases suggests that the only remaining threat to Australia's

low inflation environment is higher import prices caused by the devalued Australian dollar, and the more medium-term threat of a pickup in growth in 2000. Unemployment, which remained mired between 8 and 9 percent from 1995 to 1998, has fallen slightly, establishing a new trend level around 7.5 pct.

The greatest area of concern however, is Australia's external deficit. Falling exports caused by lower demand in Asia and rising imports provoked by strong domestic demand have conspired to force Australia's current account deficit (CAD) upwards. The CAD will breach the 6 percent of GDP barrier during 1999. (see section D on Balance of Payments).

## **B. PRINCIPAL GROWTH SECTORS**

### **1. Energy Resources**

Energy is one of the most important sectors of the Australian economy. It provides services to industry and households, employment, investment opportunities and export earnings. It is a sector in which many forces of change are at work, including strong economic growth, sustained population growth and ongoing privatization and reforms in both electricity and natural gas markets. National and international policy responses to the prospect of global climate change are also important influences.

Over the last 25 years, the total energy consumption in Australia has grown at an average rate of 2.6 percent a year, to reach 4,810 petajoules in 1997/98. While energy consumption in Australia has been increasing steadily since 1974, substantial changes have occurred in terms of the states and sectors in which energy is consumed and the overall fuel mix has also been altered.

The patterns of energy consumption in different states reflect a variety of factors: the climatic and geographic characteristics of each state; population distribution and growth; the location of natural resources and historical patterns of resource development; the location of energy infrastructure, such as gas pipelines, electricity transmission and distribution networks and port facilities; and the location of major energy intensive industries, to name just a few.

Energy consumption in Australia is dominated by electricity generation, transport and manufacturing, which have collectively

accounted for 80 percent of total energy consumption since 1973-74. The strong growth in the electricity generation sector reflects increased electrification in all end-use sectors, in addition to rapid growth in a number of industries in which electricity is the prime fuel source, such as the commercial and non-ferrous metals sectors.

The mining (principally coal mining, oil and gas extraction and metal-ore mining) electricity generation and commercial sectors have experienced the fastest growth in energy consumption over the last 25 year period. Growth in the mining sector, in particular outstripped that achieved in other sectors, averaging 6.4 percent over the period. Growth in this sector averaged an even higher rate after 1983-84, with 8.5 percent a year.

However, the mining and commercial sectors are relatively small consumers of energy, accounting for small shares of consumption (5.5 percent and 4.3, percent respectively, in 1997-98). In contrast, electricity generation is the largest energy-consuming sector and among the fastest growing at 15 percent.

The mix of fuels now consists of more use of natural gas and a corresponding decline in the share of crude oil. These are the largest changes in the fuel mix over this period. A combination of oil price shocks, natural gas discoveries and the development of gas transmission and distribution networks have accounted for small shares of oil consumption.

A key proposed energy sector initiative in Australia is to set a mandatory target for electricity retailers and larger electricity purchasers to source an additional 2 percent of their electricity from renewable or specified waste product energy sources by 2010.

Many energy utilities are moving into energy service businesses, where there will be more involvement in end-use technology, particularly where electro-technologies can provide a competitive edge to manufacturers. Numerous opportunities will exist for U.S. companies to provide new services and equipment to become competitive and also reduce greenhouse emissions. These would include energy audits, project management/retrofitting, audits and implementation, energy efficient products (lighting, heating, air-conditioning), and testing equipment. Also, design and maintenance of energy efficient systems, tariff consulting, intelligent motor controller systems, cogeneration, technology

transfer and educational services, renewable energy, energy management systems, process control instrumentation, engineering and construction, ventilation, environmental technologies and services, investment, telecommunications, and financial services. Equipment opportunities include boilers, compressors, piping, pumps and fans, tanks, electric actuators, valves, power transformers, fabric flue filters and other products to reduce greenhouse emissions.

## **2. Agricultural Resources**

The Australian agricultural sector is in a generally strong position, despite the recent turmoil in several key markets. The sharp devaluation of the Australian dollar has helped boost returns. The return to farmers, however, varies by the type of enterprise, with specialist grain farmers and dairy farmers far outperforming specialist beef and sheep producers.

Winter grain production resulted in the 1998-99 wheat crop being the third largest on record, as well as a record canola crop. The large crop, together with the weaker Australian dollar, helped maintain grain returns despite the fall in world wheat prices.

The outlook for the 1999-2000 winter grain season is favorable, following recent rain throughout the majority of the cropping area. Wheat production is currently being forecast at close to 22 million tons, slightly higher than during the past year. Canola production is again forecast to set a record, while feed barley production is expected to fall.

The difficulties faced in several important Asian markets resulted in live cattle exports falling sharply during 1998. Indonesia, for example, imported around 23,000 head after importing close to 390,000 head during the previous year. Australian officials have been working to develop alternative markets and have been successful in sharply increasing exports to Libya, Egypt and the Middle East.

The cattle industry achieved increased prices during 1998, which, combined with increased production and exports, resulted in increased farm incomes. Beef supplies are expected to tighten during 1999, which will result in improved returns.

The wool industry continues to be depressed due to sluggish demand

on the export market and intense price competition from cotton and synthetics. The downturn in the industry has resulted in many non-specialist producers transferring resources to crop production. Some specialist sheep producers have increased the production of prime lambs at the expense of wool production. Thus, in overall terms, the sheep flock has fallen to around 115 million head, down from 170 million head in the early 1990's. The wool stockpile, which stands at around one million bales, has recently been privatized and will be sold over the next few years. Weak demand and the impact of the wool stockpile are likely to result in wool prices remaining low in the medium term.

Despite difficult seasons during 1998-99, both cotton and sugar production (and exports) remain at historically high levels.

The overall volume and value of fresh fruit and vegetable exports to Asian markets remained steady during 1998. However, the export performance varied widely between crops and markets.

The diversification of export markets following the Asian economic crisis will help industries better adapt to future economic downturns.

### **3. Value Added Processing, Manufacturing**

Australia has a national policy to convert the traditional domestic, commodity-based economy into a dynamic export-oriented driver, by value added processing of domestic raw materials into highly-transformed consumer products for the global market. The Government's economic development strategy focuses on continued economic reform to encourage expansion of value-added production in the minerals and agricultural sectors; manufacturing in high-technology products; and the services sector (including services exports to the region). The manufacturing industry currently contributes about 13 percent of Australia's gross domestic product. In 1998, manufacturing output grew by 1.2 percent. Key sectors, such as metals and machinery and equipment, fell by 5.3 percent and 4.5 percent, respectively, during the same period. The fall has, to a large extent, been attributed to the Asian crisis. Growth sectors have included processed food and beverages, which rose by 6.2 percent, petrochemicals (4.7 percent), and the printing, publishing and recording media (8.2 percent).



#### **4. High-Tech Industry**

Australia, as a nation, has the level of sophistication and buying power to use high-tech products in a number of industry sectors. High-tech products are used in industries such as medical, health, communications, information technology, security and defense. Although Australia has its own small, but vigorous, high tech industry, particularly in the fields of information and medical technologies, the U.S. is seen as a world leader for many high-tech products, and Australia normally looks first to the U.S. for purchases.

Australians are keen to maintain a leading technological edge and are continually updating their technology to avoid obsolescence. This means that Australian firms often are open to capital investment, joint ventures and other strategic alliances, (both to capture a larger share of the Australian market and to gain a competitive advantage in developing products for export to other markets, particularly in the Asia Pacific region).

Information technology (IT) innovators perceive the opportunities within the Australian market and pursue it zealously. The average annual growth rate of high-tech IT products is expected to be around 20 percent for the duration of the decade. Twenty IT firms, of which 18 are American, have chosen Australia as their regional headquarters. Their choice is based on the ease of market penetration (Australia is the second largest per capita user of PCs in the world after the U.S., and one of the largest per capita users of the Internet) and the technical sophistication of the Australian IT market. With all these considerations, Australia provides a relatively small - but highly active and attractive, market for high-tech products from the U.S.

#### **5. Services**

Australia has experienced an unprecedented growth in services during recent decades. It is the most significant and fastest growing component of the economy, comprised of around 1.1 million businesses and accounting for two-thirds of the gross product of all industries. It has emerged as the cornerstone of growth, outpacing agriculture, mining, manufacturing, utilities and construction. Endowed with a sophisticated, educated, English-speaking human resource base, Australia has proven to be fertile ground for the provision of extensive technology-based support

services for both domestic and international usage. Its well-established financial and banking system, for example, provided an infrastructure of sufficient resilience to withstand the serious loss of confidence throughout the surrounding region during the financial crisis.

Australia's strong domestic economy, continuing business profitability, and sustained foreign investment are expected to lead to further growth in demand for services in Australia in the areas of management, communications, commercial, legal, financial, educational, health, community and recreational arenas. The services sector is expected to grow in the coming twelve months by 5 percent across the board, led by communications services, currently growing at a rate of 12 percent annually.

## **6. Tourism**

Tourism is an important and growing part of the Australian economy. Tourism is now a major export earner, exceeding the earnings of more traditional export commodities such as coal, meat and wool. In 1997, tourism export earnings totaled \$10 billion, representing 13 percent of Australia's total export earnings and 66 percent of services exports. It is estimated that in 1995-96, tourism expenditure directly and indirectly contributed an estimated 11.7 percent to Australia's Gross Domestic Product (GDP). The tourism industry directly employs around 8.4 percent of Australia's workforce.

International tourism makes a significant contribution to the Australian economy. From 1992 to early 1996, the number of international visitors to Australia increased by 66 percent, representing an annual average increase of 10.9 percent to reach a record 4.3 million. The major source countries of visitor arrivals to Australia during 1998 were Japan (18 percent), New Zealand (17 percent), the U.K. (11 percent), the U.S. (9 percent) and Singapore (6 percent).

However, in 1997 & 1998, Australia experienced a downturn in visitors, particularly from South East Asia. South East Asian arrivals dropped by 10, percent while North East Asian arrivals fell by 8.4 percent. This was partially offset by fast-growing inbound tourism from the U.S. (14 percent increase), the U.K. (14 percent increase) and Canada (11 percent increase). It is in these countries that the lower Australian dollar has had a

positive impact. While these increases may not fully offset the decline in South East Asian arrivals, a much higher proportion of arrivals is now from high-spending source countries. The outlook remains uncertain and forecasts for growth in international arrivals over the next four years range from 0.6 percent to 4.7 percent.

Domestic tourism remains the most important sector of Australia's tourism industry. Around 75 percent of all tourism activity (5.5 percent of GDP) is attributable to domestic tourism. Expenditure derived from domestic tourism in 1995-96 was \$27.3 billion. An additional \$3 billion was spent domestically by outbound residents on travel services prior to departure.

Over the past decade, however, the domestic sector has grown at a much slower pace than either the inbound or outbound sector. This can be attributed to a shift from domestic to overseas travel, following falls in the relative cost of overseas holidays. Outbound travel by Australian residents is expected to continue to increase, primarily at the expense of domestic holiday travel.

As a market for U.S. tourism, Australia is a major source of export earnings. The U.S. ranks as the leading long-haul destination for Australian travelers, ranking third behind New Zealand and Indonesia in terms of all overseas destinations. In 1998, Australia was ranked as the tenth overseas market, with 461,000 Australians travelling to the U.S. Travel receipts from Australian travelers totaled US\$1.5 billion. It is forecast that the number of Australians travelling to U.S. in 1998 will grow by 3.3%, to 476,000. Australian travelers to the U.S. are characterized by long stays and high spending, and typically travel during the off-season months of March, May, June, September, October and December.

Notwithstanding world economic and trade growth slowing, tourism has considerable potential for future growth in Australia. Apart from the immediate impact of the downturn in regional markets, the structure and direction of tourism development in Australia over the coming years is expected to be influenced by: demand for improved service standards to meet the needs of an increasing proportion of overseas tourists; considerable advances in information technology and changes in distribution systems; demand for new and specialized skills, particularly technology-based skills and small business management skills; and the Sydney 2000

Olympic Games.

## **C. GOVERNMENT ROLE IN THE ECONOMY**

### **1. Fiscal and Monetary Policy**

After coming to office in 1996, the Coalition Government committed itself to returning the Federal Budget to surplus -- a goal achieved in the budget for the 1998-99 fiscal year. The Coalition achieved this goal entirely through cuts to government spending, without any increases in taxation levels. The proceeds of this fiscal consolidation program, combined with the sale of government assets, have reduced the Federal Government's debt levels from a peak of nearly 19 percent of GDP in FY 1995-96 to 8 percent in FY 1999-2000. Legislation to introduce a broad-based consumption tax to replace several indirect sales taxes has been passed by Parliament. The new regime, a "Goods and Services tax" (GST) will come into force in July 2000.

The judicious use of monetary policy by the Reserve Bank of Australia has earned the country seven years of low inflation and steady economic growth. In recent years, the Reserve Bank has maintained an expansionary monetary policy, designed to stimulate employment growth while maintaining low inflation. Since July 1996, official interest rates have fallen 2.75 percent to 4.75 percent (in six stages). Monetary policy should remain on hold as the economic growth slows slightly over 1999-2000.

### **2. Economic Reforms**

Australia commenced a basic reorientation of its economy more than 16 years ago, and has transformed itself from an inward looking, import-substitution country to an internationally competitive, export-oriented one. Key reforms include unilaterally reducing high tariffs and other protective barriers; floating the Australian dollar exchange rate; deregulating the financial services sector (including a decision in late 1992 to allow liberal access for foreign bank branches); rationalizing and reducing the number of trade unions; efforts to restructure the highly centralized system of industrial relations and labor bargaining; better integrating the State economies into a national federal system; improving and standardizing the national infrastructure; and privatizing many government-owned services and public utilities.

The ultimate goal is for Australia to become a competitive producer and exporter, not just of traditional farm and mineral commodities, but of a diversified mix of value-added manufactured products, services and technologies. While progress has been made on this economic reform agenda (such as in opening the telecommunications market to competition), much remains to be done. Herein lie some of the most promising opportunities for American business and investment.

While the near-term outlook is for continued economic expansion, Australia's longer-term prospects depend heavily on continued fundamental economic reform. There is a general consensus among the major political parties, management and labor on the necessary features of this reform, but significant divergence of views on the methods, pace and degree of change required.

#### **D. BALANCE OF PAYMENTS SITUATION**

Trade is very important for Australia's small, open economy: merchandise exports in 1998 totaled US\$56 billion, about 16 percent of the nation's gross domestic product. Australia imported US\$60 billion worth of merchandise goods in 1998, generating a balance of trade deficit of US\$4 billion (following a small surplus in 1997). The turnaround in the merchandise trade balance during 1998 was due to the combined effects of the Asian economic downturn on exports (a rise of only 5 pct), and of strong domestic demand on imports (a rise of 16 pct).

In 1998, around 60 percent of Australia's exports went to Asia, though growth in exports to the region has slowed considerably since the 1997-98 financial crisis. Japan is Australia's largest trading partner, taking 20 percent of merchandise exports (US\$11 billion in 1998), and supplying 14 percent of its imports (US\$8 billion in 1998). Australia's major exports to Japan are coal, iron ore, meat, and aluminum.

The United States is Australia's second largest trading partner. In 1998, exports to the United States rose by 34 percent to US\$5 billion, making the U.S. Australia's second-largest export market, ahead of Korea and New Zealand (Note: if re-exports of gold are discounted, Australian exports to the U.S. rose by 20 percent). The U.S. remains Australia's single largest source of merchandise imports (US\$14 billion in 1998). Of Australia's top five trading

partners, the U.S. is the only country to consistently run a bilateral trade surplus with Australia.

The composition of Australia's exports has been changing gradually over the past two decades, to reflect the increasingly value-added direction of Australian industry. Manufactured exports have grown at an average rate of around 10 percent per annum over the last six years. Within manufactures, elaborately transformed manufactures (ETMs) have grown strongly over the past six years, their share of total exports rising from 19 percent to 22 percent.

Australia's emerging ETM exports also have an increasingly diverse base. They include such items as high-speed ferries, telecommunications equipment, and motor vehicles. Primary products, however, remain the dominant export sector in value terms. In 1998, exports of mineral and agricultural products comprised 57 percent of total merchandise exports.

Australia generally has a small net deficit for trade in services. Tourism accounts for nearly half of services credits (exports), while services debits are dominated by transportation services and outbound tourism. In 1998, Australia recorded a net services balance of just under US\$1 billion.

The net income deficit remains the largest component of Australia's current account. In 1998, the net income deficit totaled US\$19 billion, consisting mostly of debt service payments on Australia's relatively high foreign debt. While Australia's debt-service ratio is currently low (around 10 percent), any increase in foreign interest rates or depreciation of the Australian dollar can greatly increase Australia's debt burden (as in 1990). Net foreign debt at year-end 1998 was US\$150 billion.

The current account deficit (CAD) -- Australia's most intractable economic constraint in recent decades -- was US\$18 billion (A\$28 billion) in 1998. After reaching a then-record level US\$20 billion (A\$27 billion) in AFY 1994-95, subdued domestic demand and good export performance held the CAD around US\$15-16 billion (A\$19-21 billion) over 1996, and an improved trade performance during 1997 lowered that figure further. During 1998 and early 1999, however, a combination of lower exports to Asia and strong domestic demand for imports generated a major increase in the CAD. In the long-term, Australia's external balance will only be rectified by an increase in the pool of national savings, a goal assisted by Australia's compulsory superannuation scheme.

## **E. INFRASTRUCTURE**

### **1. Overview**

Geographically, Australia is similar in size to the continental U.S. Despite its small population and relatively large landmass, it has a well-developed capital infrastructure, including nationwide air, road, rail, port and telecommunications networks comparable to other OECD countries. As of mid-1998, the Asian economic downturn has not affected infrastructure development in Australia to a measurable extent.

Privatization and corporatization of government-owned facilities and services has been high on Australian state and federal governments' agendas since the early 90's, and the sale and/or lease of public facilities and utilities continues to progress at a steady and determined pace. A significant proportion of large projects being undertaken in Australia is as a result of infrastructure developments and privatization of facilities formerly run by federal, state and local governments. Demand for further infrastructure development is due to population growth, changing demographic patterns, increased environmental awareness, and a cumulative obsolescence of existing infrastructure facilities. Reforms in the ownership and management of public utilities, such as electricity, natural gas and telecommunications, are expected to result in a more competitive supply and distribution infrastructure. In Sydney, for example, the advent of the 2000 Olympic Games is contributing to a sense of urgency to lay in place a transport infrastructure capable of meeting the needs of a city highly dependent on inbound tourism, but which has been slow to develop an efficient urban road system.

The private sector has accepted the privatization challenge and is actively engaged in nationwide infrastructure creation, upgrade and maintenance. An open market in the airline industry has reduced the cost of air travel and improved passenger service. Australia's airports, with the notable exception of Sydney's Kingsford Smith, have been sold to private consortia on long-term leases. The federal government's attempts at waterfront reform, while provoking a bitter feud with the maritime union, have begun to take effect. It is moving ahead with plans to sell rail assets; announced its intention to sell off a further third of its telecommunications carrier, Telstra; and called for expressions of

interest to acquire its defense business, ADI Limited.

## **2. Air Transport**

Air transport is used extensively. Australia has around 270 licensed airports, including the major international gateways of Sydney, Melbourne, Brisbane, Perth and Cairns. International passenger and cargo flights are frequent and reliable.

Air is used extensively for lighter cargo, small high-value items, and for urgent needs. An extensive network of air cargo operators, including major international companies, offers a full range of cargo services, processing of documentation relating to importation and clearance of goods, and follow-on-delivery to regional centers. Australia is serviced by most of the world's major air carriers, feeding into a well-established domestic network. Most Australian airports have recently been privatized and operate on a commercial, profit-oriented basis, competing for passenger and freight revenue.

## **3. Road/Rail Transport**

With its huge land mass, small population and limited tax base, the extensiveness of Australia's modern national, state and local road system is quite remarkable. Road funding continues to feature prominently in both State and Federal Government budgets with the voting public demanding high-quality roads. Australia's road transport industry is relatively efficient and approaches world best practice. The majority of interstate goods transport is by road.

A 24,000-mile network of railroads competes with road transport. Rail transport is the preferred mode to Perth (in Western Australia) for the transportation of freight from Eastern ports, and for the bulk transport of Australia's mineral exports. Traditionally, rail transport has lagged behind international best practice. In the last century, before Federation of the States into the Commonwealth, each state government established its own different gauge railway to encourage its own industries, with cargo having to be transferred at state boundaries.

The completion of the first standard-gauge rail line from Brisbane to Perth (via Sydney, Melbourne and Adelaide) in June, 1995, heralded a new era in rail freight transport and the prospect of



an efficient, truly national rail transportation system. The ability to track a coal train from Queensland to South Australia was a symbolic step in Australia's reform agenda.

The mid-1990s also saw every rail administration in Australia substantially restructured, with most becoming corporatized entities. In 1997, Australian National, the freight and passenger rail operator owned by the Federal Government, was split into three businesses and privatized. Two of the three successful bidders were led by U.S. companies, in partnership with local firms. In January 1999, the Victorian State Government privatized its freight business. The trend towards privatization of State and Federal rail assets is expected to continue.

#### **4. Sea Transport**

Australia is a trade-dependent country, with the fifth largest shipping task in the world. It trades with around 200 countries moving approximately half a billion tons of cargo per annum. Ninety-nine percent of its imports arrive by sea and ninety-six percent of its exports leave by waterborne transport, in volume terms. It is serviced by major shipping lines transporting goods world wide, to and from the major ports of Sydney, Brisbane, Melbourne, Adelaide and Fremantle. Australia's reputation for inefficiency on the wharves is almost an outmoded concept. Permanent waterfront labor reform is expected to be achieved during 1999, following which the Federal Government will be examining proposals for improvements in terminal infrastructure, health and safety standards and information technology on the waterfront.

Australia has modern, deep-water ports. New South Wales and Queensland account for 58 percent of all ships registered in Australia (8,240 total), the majority of which are used for non-commercial purposes. The major Australian trading fleet is comprised of 62 ships of 2,000 tons or over, two-thirds of which operate on coastal routes, moving around 60 million tons of cargo annually. The advent of a Goods and Services Tax during 2000 is expected to reduce water transport sector costs by up to 5.7%.

The government agency responsible for maritime safety in Australian waters, including regulatory issues, the navigational aids network, maritime search and rescue, pollution prevention and clean up, and registration, is the Australian Maritime Safety

Authority.

## **5. Telecommunications**

Australia's telecommunications infrastructure is sophisticated, and full network digitalization is well under way and expected to be completed by end of 1999. The main telephone lines, which are mostly land-based, penetrate about 96% of all households and, in a population of nearly 19 million, there are almost 6 million mobile phone subscribers, of which 1.5 million are still connected to the analog system. In addition, there are over 5 million PC workstations and over 500,000 Internet hosts.

Telstra operates Australia's land-based telephony service which, with an annual growth rate of about 5%, has nearly 10 million connections. Telstra is the former monopoly carrier and still dominates the telecommunications environment with about 70% of the total market. Telstra is upgrading its fixed-line network and now has managed to reach a 90% digitization level. Optus Communications, which is in competition with Telstra, provides its own switching capability, but primarily uses the Telstra trunk and local loops. Optus has developed a broadband network (alongside the Telstra broadband network) to collectively "pass" some 4 million houses, but is having only limited success.

Mobile phone services are well established in Australia with more than 6 million users of mobile phones. Australia has one of the highest user rates in the world for mobile phones. Telstra owns the only AMPS mobile phone service, from which Optus leases capacity. This service, however, is expected to be phased-out by the beginning of the year 2000. Optus, Telstra and Vodafone each operate separate GSM mobile networks. The analog AMPS network and Telstra's GSM network reach a market share of 57%; Optus' network has a market share of 31%, while Vodafone manages only 11.2% market share.

Australia's telecommunications industry was deregulated on July 1, 1997. There are now more than 25 carriers (where there were effectively only 2) and many service providers have now entered the industry. The new carriers are often former service providers and are generally reliant upon leasing network capacity from Telstra, although some are developing their own switching and network capability, particularly on the eastern seaboard and for overseas call markets.

Australian communications technology is historically European-based (due to Australia's links with the U.K. as a Commonwealth country), and to Swedish company Ericsson's early (1928) establishment in Australia. Land-based telephony operates to standards, which are based on E1, but differ somewhat to create a uniquely Australian version. Mobile phones operate on a Digital GSM network and, to a lesser extent, on Analog AMPS. There are opportunities for CDMA system providers, which is expected to replace the analog system (in part) and other PCS (personal communications services) in the 800 Mhz (megahertz) and 1.8 Ghz (gigahertz) areas, given the completion of spectrum auctions for these frequencies.

Advanced and emerging technologies, such as Frame Relay and Asynchronous Transfer Mode (ATM), are creating in Australia the possibility to merge voice, video and data along broadband services. As these technologies or protocols are largely U.S.-developed, U.S.-made products are used.

The future of Australian communications has never been so exciting and challenging as the nation embraces the advent of number portability, digital technology, greater mobility, and demands for new and innovative services requiring the use of broadband spectrum.

Telstra, Optus and Vodafone have already purchased, or are committed to purchasing, further network infrastructure and equipment-having experienced massive developmental stages during the past 3-5 years. Infrastructure has been established for digital mobile technology and the digitalization of land-based networks is well under way. Carriers are required, under the Telecommunications Act of 1997, to submit and follow Industry Development Plans, listing companies they have negotiated with for the supply of infrastructure and equipment. Telstra has strategic relationships with Alcatel, Ericsson, Nortel and Siemens; Optus with Digital, Leighton, Fujitsu, Nokia and Nortel; Vodafone with Ericsson and Keycorp. Network development, therefore, usually involves the companies at the forefront of these strategic relationships, who in turn deal or make alliances with downstream companies. ATM products likely represent one of the most rapidly growing areas in this market segment, and many of these products come from the United States. These products are purchased for the carrier communications network or for private networks. Many U.S.

companies selling ATM already have a presence in Australia.

## **6. Energy**

Australian state governments are developing multi-million dollar strategies to meet future energy demands which will involve significant new infrastructure and energy efficient projects over the next decade. The Federal Government and State premiers (governors) have agreed on reform of both the electricity and gas sectors.

The **National Electricity Market** (NEM) in Australia commenced operating on December 13, 1998. The participating jurisdictions include New South Wales, Victoria, South Australia, Queensland, and the Australian Capital Territory (ACT). All the remaining States and Territories will eventually be participants in the NEM, and form a fully-competitive market for electricity generation and supply by the year 2001. A vast number of electric utilities are now owned by the private sector (80 percent are U.S. companies).

Reform of the entire gas industry is a vital component for the expansion and integration of natural gas as a fuel for the smallest domestic consumer to the largest industrial or power generation user. Having moved vigorously through stage one, the reform process has "hit the wall", with many key players finding it tougher to deliver the required outcome. Draft legislation has been drawn up for deregulation of the gas industry, including open access to gas infrastructure, gas pipelines and distribution.

The current forecast for new electricity generation capacity is 10,000 MW, to be developed in Australia between 1999 and 2010. At present, 2,000 MW of this capacity is under development and another 3,000 MW is in the planning stage. To put this into perspective, the current electricity generation capacity in Australia is 40,000 MW. Capital investment to date is estimated to have cost US\$26 billion, and the cost of the predicted expansion of generation capacity is estimated to be US\$9 billion.

International economists have nominated the Australasian region as the powerhouse of the next century. The region already has an abundance of natural resources, and development in the oil and gas sector is set to play a major role on the world stage. It is estimated that more than US\$120 billion will be invested in new petroleum development in the Australasian region over the next ten

years. The oil and gas industry continues to make a major contribution to the Australian economy. The annual value of oil and gas production in Australia is approximately US\$10 billion. US\$30 billion of oil and related projects are being studied in Australia over the next five years. One of the largest projects is the US\$10 billion development of significant oil discoveries in the Timor Sea, in the Australia-Indonesia Zone of Cooperation (ZOCA).

## **7. Water and Sewerage**

Average annual expenditure on new capital works and renewal works for urban water supply and sewerage treatment is in the order of US\$455 million. Water authorities are the main purchasers and users of goods and services in this sector, while private industry is the most effective developer and marketer of new technology.

Australia's water supply and sewerage treatment infrastructure is well established, and systems are being expanded to meet demand generated by industrialization and urbanization. In response to public concern and demand, the industry is moving from an emphasis on the supply of water toward a greater focus on resource usage, the quality of the water supplied to consumers, and pollution control. There are also significant concerns regarding the protection of the environment, particularly with regard to discharges of wastewater. Between 0.5 to 6 percent of the population currently receive water of unsatisfactory quality, and there is a growing impetus to achieve the high quality found in major urban supplies. While some technologies for water treatment and sewerage systems are well established, this sector is now subject to significant technological change as the sewage to be treated becomes chemically more complex due to pollutants, and as more stringent standards are imposed on effluent discharges to protect the recipient land or water body.

National responsibility for water and environmental matters falls with the Department of Primary Industries and Energy (DPIE) and the Environment Protection Agency (EPA), respectively. Design, construction, management and maintenance of water and wastewater treatment facilities, however, are primarily shared between state authorities, boards, county councils, local government councils, and private interests. The roles of these agencies vary from State to State.

## **8. Construction**

Engineering construction activity was estimated at US\$11.3 billion for the financial year ended June 30, 1999 (up about five percent on 1998), with US\$11.5 billion forecast for 2000. Some 80 percent of all engineering construction work is classified as infrastructure and includes projects such as railways, dams, roads and bridges, major pipelines, and electricity and other utilities' infrastructure.

This sector has been in general upswing over the past six years, the main drivers being a boom in minerals investment, a surge in telecommunications construction, and major private infrastructure projects, including roads and freeways in Sydney and Melbourne. Most analysis forecast that activity will inevitably slow in 2000, as some of the bigger projects now underway are finished. However, big falls in heavy industry construction, telecommunications, and road building will be offset by rising activity in railways, water storage and supply, electricity, and some oil, gas and minerals processing projects. Rail is seen as a major area of opportunity, particularly in New South Wales, given proposed projects such as the US\$2.2 billion high-speed train between Sydney and Canberra.

## **9. Sydney Olympics**

Infrastructure preparations for the 2000 Olympic Games in Sydney continue on-schedule and within budget. The Olympic Coordination Authority (OCA) is responsible for the provision of Games facilities, most of which are nearing completion. Multiple events are being conducted in the major venues to test infrastructure such as public transport, security, catering, people movement and crowd control.

Sydney-based engineering and construction companies have undertaken the majority of civil works, and some U.S. companies have been engaged to provide, for example, temporary power and air conditioning for the Olympic stadiums.

Local State and municipal governments have been actively engaged in infrastructure upgrades to provide the necessary civic backdrop for the Games, and a number of privately-built hotels are nearing completion to supplement the available accommodation in the Sydney region.

The Olympic Coordination Authority can be found on the worldwide web at <http://www.oca.nsw.gov.au>

## **10. Y2K Preparedness**

Overall, industry analysts suggest that Australia has taken the necessary steps to ensure that both government and private industry will be Year 2000 (Y2K) compliant. One area of concern, however, centers on insuring that small-to-medium sized (SMEs) companies have the adequate resources and information to address the Millenium Bug.

Recently, IT research organization GartnerGroup, ranked Australia among the 12 countries which are best prepared in addressing the Y2K problem. Australia, Belgium, Bermuda, Canada, Denmark, Holland, Ireland, Israel, Switzerland, Sweden, the United States and the United Kingdom have all been classified as Level One countries, where only 15 percent of companies are expected to experience a Y2K-related mission critical failure.

It is estimated that the total cost of addressing the Millenium Bug issue will be in excess of US\$6 Billion. Over the last year, cost estimates have blown out by over 45 percent as companies are rapidly realizing that they require more time then originally allocated to address their Y2K related problems. Financial instiutions are among the most advanced in the Australian economy with their repair work. The government sector is the least ready for the turn of the century, while there has also been concern over the level of preparedness of companies in the mining and energy sectors.

Some of the programs instigated by government and private industry to increase awareness of the Millenium Bug include:

- The Federal Government has established a Year 2000 Industry Program with its own website. The prime focus of its campaign has been to disseminate information on the Millenium Bug to SMEs.
- The Federal Government has encouraged full disclosure of department spending and the status of remediation work, at both a national and state level.
- The Australian Stock Exchange has asked listed companies to

provide periodic updates on their remediation work and the estimated cost of carrying out the fixes.

- Industry associations have been active in highlighting the Millenium Bug to members by conducting seminars and workshops.

Concerning Y2K assurance and disclosure, Australian attorneys are increasingly advising their clients against disclosing Y2K-related information for fear of courtroom reprisals. Company reports sent to the ASX are claiming that it will not be possible to guarantee 100 percent Y2K compliance. The GOA, too, is concerned enough to have issued a tender for the provision of Y2K-specific legal services on a "whole of government" basis. Government insiders have reported that the status of third-party suppliers has emerged as a big issue for the government. The absence of an official government framework to guarantee supply in certain areas may leave the government without any legal recourse. The areas most at risk from non-compliance of suppliers include payments and social security, defense and national security, health and national safety and revenue collection. Legal issues identified in the GOA's request include: liability of the Commonwealth and its officers, standard certification of Y2K compliance for the Commonwealth, the legal implication of making public information about organizations (both within and outside the Commonwealth, that are known to be lagging behind in addressing the Y2k issue), and the liability of government officials who are specifically working on the Y2K problem. The GOA passed a U.S.-style "Good Samaritan Law", to protect companies or individuals against legal suits if their information on Y2K issues proves to be mistaken.

For a list of useful Y2K-related websites in Australia, visit our website at [www.csaustralia.org](http://www.csaustralia.org) or contact Commercial Service in Australia directly.

### **CHAPTER III: POLITICAL ENVIRONMENT**

#### **A. NATURE OF POLITICAL RELATIONSHIP WITH THE UNITED STATES**

Australia ranks as one of our most dependable allies and a key economic partner in the dynamic Asia-Pacific region, which accounts for nearly half of the world's population, economic output and trade. While much is said of the Australian-American



Alliance during World War II in the Pacific, our strategic cooperation today is even broader. We work together to ensure that the region is politically stable and open to international trade and investment.

The 1951 Australia-New Zealand-United States (ANZUS) treaty serves as a cornerstone for our security arrangements in the region. Australia participates in a number of joint military maneuvers with the U.S. and other nations each year and provides essential port and logistical services. Australia is developing a series of bilateral security arrangements in the region. By doing so, Australia is helping to shape positively the security policies of other nations and to develop a sense of common security interests throughout the region. Our two governments also cooperate in worldwide efforts on political matters ranging from nuclear non-proliferation to arms control and peacekeeping.

Like the United States, Australia is a leading advocate of trade and investment liberalization. Because of common interests and convictions, our two countries work together on many global issues (e.g., U.N. reform, promoting democracy and human rights, protecting the environment, and enhancing the multilateral trading system and the World Trade Organization).

#### **B. MAJOR POLITICAL ISSUES AFFECTING THE BUSINESS CLIMATE - A POLITICAL CONSENSUS FOR PROGRESS AND CHANGE**

There are no major political issues that detract from the business climate or the stability of the bilateral trading relationship with the United States. All of Australia's major political parties seek to promote growth and encourage investment, including investment abroad. Although there are differences in approach, the leading parties strongly support Australia's internal economic restructuring, aimed at transforming the country into a globally-competitive trading nation.

Other policy directions that attract universal support include Australia's desire to define itself as a part of the dynamic Asia-Pacific region. Australians also support efforts by the government and business to upgrade its mix of exports in order to reduce reliance on basic commodities and increase sales of value-added products. There is also broad political approval for federal and state government programs to corporatize and privatize public services.

### **C. BRIEF SYNOPSIS OF THE AUSTRALIAN POLITICAL SYSTEM, SCHEDULE FOR ELECTIONS AND ORIENTATION OF MAJOR POLITICAL PARTIES**

Australia is a longstanding parliamentary democracy, combining economic and social progress with political stability. Australia has a federal system of government, with certain rights and responsibilities reserved for its individual state governments. Australia has never enacted a written bill of rights, but fundamental rights are ensured by law and respected in practice. Australia has ratified a number of International Labor Organization conventions that define certain rights and obligations (e.g., bans on child labor).

The Commonwealth (federal) government and the six state governments operate under written constitutions that draw on the British tradition of a cabinet government, led by a Prime Minister. Under this system, the Prime Minister is responsible to a majority in Parliament's Lower House, whose representation is based on population. Australia's federal constitution also contains some elements that resemble the American system of government (e.g., it provides for a Senate, in which each state has equal representation).

Australia, as a member of the British Commonwealth, recognizes Queen Elizabeth II, the reigning British monarch, as its head of state. However, she does not participate directly in the Government of Australia. Her head of state functions are instead entrusted to her personal representatives who live in Australia (i.e., Australian citizens who serve as the Governor-General of Australia, and the Governors of the six States). The Australian Capital Territory (ACT) and the Northern Territory (NT) have representatives and senators, but do not have governors.

One of the hottest topics in Australian politics is the debate on whether Australia should become a Republic. Republicans advocate revising the constitution and replacing the Queen with an Australian Head of State, either appointed or elected. Some also want to adopt a new flag. The National Constitutional Convention, held in February, 1998, raised these issues, but did not produce any firm results.

The Constitutional Convention selected a committee that drafted proposals to amend the constitution to make Australia into a

republic with an Australian Head of State. This proposal is scheduled to be voted on in a public referendum in November 1999. Although the outcome of the referendum could have some effect on Australia's relationship with the United Kingdom, it would have no impact on Australian-American political, economic or cultural relations.

Members of Australia's Federal House of Representatives are elected for approximately three-year terms. The last national election was held in October 1998. Accordingly, federal elections are due in late 2001. However, earlier scheduling is a matter of prime ministerial discretion. The Prime Minister may recommend that the house be dissolved at any time, and the Governor-General traditionally follows that advice. The conservative coalition of the Liberal and National parties, which was re-elected in the 1998 election, has a 12-seat majority in the House of Representatives (the Lower House). It has been in power since March 1996. The Australian Labor Party is the main opposition party.

Since July 1, 1999, when the Senate elected in October 1998 took office, the governing coalition has been three seats short of a majority in the Senate. As a result, legislation proposed by the government can be enacted only after negotiation with the opposition, or with minor parties.

The 76 members of the Senate (the Upper House) are elected for six-year terms. Each of the six States elects 12 Senators, while the Northern Territory and the Australian Capital Territory (Canberra) elect two each. The next election for half of the Senate seats will coincide with the next House elections, unless the Prime Minister asks the Governor-General for permission to dissolve both Houses of Parliament.

Under certain conditions outlined in the federal constitution--in essence, extended deadlock between the House and Senate--both houses may be dissolved simultaneously, so that ensuing national elections would involve all seats in parliament. This event, which Australians call a "double dissolution", has occurred only six times since the constitution entered into effect in 1901.

The governing Liberal-National coalition stresses the importance of a free market, an entrepreneurial approach to economic growth, small governments and balanced budgets. Prime Minister John

Howard's Liberal Party is the senior partner in the coalition. The Deputy Prime Minister, Tim Fischer (who is also the trade minister) leads the junior coalition partner, the National Party. The largely rural-based National Party is identified closely with the interests of farmers, both in terms of domestic policies and international trade policy.

The Australian Labor Party (ALP), the main opposition party, is led by former Deputy Prime Minister Kim Beazley. The ALP maintains close ties to the trade union movement, and many of its leading lights are former trade union leaders. the ALP held government from 1983-1996. During that period, the ALP carried out major restructuring of the economy (e.g., floating the Australian dollar, cutting tariffs by substantial amounts, reducing and simplifying regulations that affect business). Liberalizing trade and enhancing economic integration with Asia-Pacific countries were hallmarks of the ALP, and the new coalition government has vowed to maintain and strengthen these initiatives.

The minor parties, which include the Australian Democrats (nine Senators), the greens (one Senator), One Nation Party (one Senator), and one "Independent" Senator, hold the balance of power in the Senate, but have no seats in the House of Representatives. Although the government can elicit support from the ALP for some legislation, the Democrats are more likely to compromise. As might be expected of a minor party, the Democrats take highly visible stands on various economic, political, environmental, and social issues, challenging the major parties to respond in ways that meet their concerns.

A new political party, One Nation, led by former House of Representatives member Pauline Hanson, has emerged on the right side of Australian politics. Hanson and her core staff are former Liberal Party members, but also have recruited a number of political neophytes, including some from right-wing organizations, for the party.

One Nation has garnered considerable media coverage, although it holds only one Senate seat. It functions principally as a party of protest. Neither the Liberal/National Party coalition nor the Australian Labor Party are likely to accept One Nation as a partner in a future government. It will thus not be able to force changes in national policies that would be of concern to U.S. businesses and investors (e.g., its call for more protection for

Australian agricultural and manufactured products).

All of Australia's major parties support the U.S.-Australia Alliance and stress the importance of close relations between Australia and the United States. Thus, our bilateral relationship is essentially unaffected by the outcome of national elections. There are no prospects of other political changes that could impact on Australia's reputation as one of the safest countries in the world for trade and investment.

#### **CHAPTER IV: MARKETING U.S. PRODUCTS AND SERVICES**

Market entry strategies for U.S. firms are straightforward. They include exporting of products and services through the use of agent/distributorships, license/technology transfers, franchise arrangements, joint ventures, strategic alliances, and wholly-owned subsidiaries/branches. As Australia restructures economically, there are significant opportunities to participate in major public-funded projects and to win major infrastructure and services projects made available through public sector divestment and privatization.

##### **A. RETAILING TRENDS**

Australian retailing has long been predominantly characterized by department stores and speciality shops with high markups. However, in recent years Australians' consumer appetites have been whetted by discount buying available through the introduction of superstores and warehouse sales outlets.

According to a survey undertaken among the country's major retailers and property investors, Australia's retail market will be almost unrecognizable within two decades, shaped by new technologies, an aging population, and changing consumer needs. The survey found that the Australian retail industry is changing faster than at any other time in the country's history. The outlook is for even bigger regional centers with a strong leisure element, emerging strength in strip shop locations targeting the 'time poor' consumer, an influx of new international players, the death of many traditional specialty retailers, strong growth in the bulk goods sector, and a rise in electronic shopping. The Internet is providing strong competition within the Australian retail industry. To compete, retailers will be forced to become more focused on marketing and information management. They will

change from being property and inventory-driven to suppliers of information. Retailers will collect information about suppliers, merchandise, and customers and sell, and network these details. The one certainty facing the retail industry in Australia is further change and a faster pace of change.

## **B. DISTRIBUTION AND SALES CHANNELS**

Australia's extensive distribution and sales channels are comparable to those in other industrialized countries. Channels of distribution are through direct sales, use of distributors or agents, and also via direct investment. Financing of exports is effected through open account, commercial bills of exchange (sight and time drafts), letters of credit, and cash in advance. Foreign exchange is readily available to the Australian importer through local banks. There are virtually no exchange controls or import licensing applicable to imports of goods and services. Both direct and indirect foreign investment is encouraged, with only minimal requirements for government review in certain sectors, e.g., residential housing and media.

## **C. INFORMATION ON TYPICAL PRODUCT PRICING STRUCTURES**

Australia is a free enterprise economy, and basic market factors of supply and demand apply in determining mark-up percentages regarding product pricing. This is a small, but highly competitive market. To compete successfully, U.S. exporters to Australia should be prepared to offer flexible prices, with possibly lower than usual profit margins, and smaller minimum quantity requirements.

## **D. USE OF AGENTS AND DISTRIBUTORS**

U.S. businesses marketing their products in Australia usually establish relationships with sales agents, distributors, franchisees, and licensees.

### **1. Sales Agents**

Sales agents or representatives solicit business for the foreign company, and serve as a conduit for purchase agreements. In most cases, a sales agent does not have the power to negotiate terms, or to finalize the sales contract. Instead, the sales representative forwards the contract to the foreign company, which

either accepts or rejects it. It should be noted, however, that because the sales representative is considered to be an agent of the foreign corporation, under the general laws of agency, the foreign corporation may be bound by the acts of its agent.

Agents assume a number of duties and obligations once a representation contract with a foreign company is finalized, including adherence to the principal's instructions, good faith in the interests of the principal, and maintenance of proper accounts. The agent retains the right to remuneration and the right to an indemnity for liabilities or for losses incurred due to improper termination. However, there is no precedent for required indemnity payments in Australian law. Parties may stipulate specific causes for termination in the agreement. Either party may terminate the agreement upon receipt of reasonable notice of termination. Although no specific time period exists which defines a reasonable notice period, courts may take into consideration the nature and length of the contract when determining whether reasonable notice was given.

## **2. Distributors**

A distributor acts as an independent contractor, purchasing products from the foreign corporation and distributing them to wholesale buyers or, on occasion, to retailers. Generally, the foreign corporation cannot restrain the distributor from selling competitors' products. However, because the distributor is not considered to be an agent of the foreign corporation, it is not bound by the acts of the distributor. It is common practice for Australian distributors to ask for exclusive geographic rights to market a foreign corporation's products. Because of the size of the market, these rights often cover several states or are nationwide.

Parties are free to choose between Australian and foreign (in this case U.S.) law governing the contract when drafting an agreement.

However, the choice of foreign law does not preclude application of mandatory provisions of Australian law. Without a stipulation of law, Australian courts will apply the law of the jurisdiction where the agent or distributor works (i.e., Australian federal law and appropriate state and social law). Therefore, notification of agent distributor appointments should be submitted in writing to satisfy various state jurisdictional laws, especially when they last for more than one year or include terms for commissioning the agent. Either fixed or indefinite-term contracts may be employed.

However, repeated renewal of fixed-term contracts will not cause the contract to achieve indefinite-term status.

## **E. FINDING A PARTNER - HOW THE COMMERCIAL SERVICE (CS) IN AUSTRALIA CAN HELP**

CS Australia provides a range of business facilitation services to help American companies identify potential partners. Most services are arranged by the U.S. company contacting its local U.S. Department of Commerce Export Assistance Center in the United States.

### **1. Agent/Distributor Search (ADS)**

CS Australia will locate, screen, and assess Australian agents, distributors, and representatives for U.S. companies. After an initial investigation that determines there is potential interest in a U.S. product or service, CS Australia will send the U.S. firm contact information on companies that have reviewed product literature and expressed interest in representing the firm in Australia. U.S. companies then contact the potential representatives directly.

### **2. Gold Key Service (GKS)**

Designed to make a U.S. company representative's visit to Australia more productive, the GKS provides a combination of many services, such as market orientation briefings, market research, agent/distributor search and screening, introductions to potential partners, and assistance in developing a sound market strategy and an effective follow-up plan.

### **3. Customized Market Analysis (CMA)**

Formerly called the Customized Sales Survey (CSS), a CMA provides a quick and accurate assessment of how an American product will sell in Australia. Especially valuable for first-time exporters with few Australian contacts and limited overseas expertise, a CMA provides current data with which to make marketing decisions without extensive travel, investigative, and other expenses associated with overseas product research.

### **4. Participation in Catalog Exhibitions**



CS Australia takes booth space in selected trade shows and runs separate catalog exhibitions in association with a variety of trade promotion events, conferences, symposia, etc. U.S. firms are invited to participate either directly or by providing catalogs for display.

## **5. Access Australia**

CS Australia has developed a market entry program called Access Australia, which offers U.S. firms an effective, yet very inexpensive, way to test the Australian market. Through this program, CS Australia contacts American firms in a specific industry sector, and invites the companies to participate by completing an application form and forwarding product literature. A special mailing is then sent to hundreds of local agents, distributors, wholesalers, and end-users in that particular industry. Interested respondents are sent product literature. The U.S. participants are advised of the names of the local companies that requested their catalogs so they can follow-up directly.

## **6. Participation in Trade Missions**

CS Australia organizes and supports trade missions certified by the U.S. Department of Commerce and by State Governments.

## **7. Trade Events**

CS Australia organizes U.S. booths and support for companies participating in trade shows and exhibitions in Australia (see Appendix G for full Trade Event Schedule).

## **8. Trade Opportunity Program (TOP)**

This program provides U.S. suppliers with credible, complete, and timely trade leads gathered by CS Australia. The trade leads may be requests for representation, manufactured goods, services, investment, joint ventures, licensing, or foreign government procurement bids. Opportunities are publicized by the U.S. Department of Commerce through the (NTDB) and other avenues.

## **9. Market Research and Reporting**

CS Australia reports continually on industry sector developments, major projects, program and policy developments. These reports

are available through the U.S. Department of Commerce and the NTDB (see Appendix F for a list of available documents).

## **10. Commercial News USA**

This monthly publication provides summary information on new U.S. products being offered for export. CS Australia distributes the publication free of charge to potential agents and distributors throughout Australia. Interested companies contact the U.S. firm directly.

## **F. FRANCHISING**

Franchising has a long history in Australia. Today, the Australian franchise sector is both large and mature and franchising is well-established, with more franchising outlets per head of population than any country in the world.

The total turnover of the franchising sector, not including the motor vehicle and automotive fuel retail industries, is US\$22.67 billion. Including the motor vehicle and automotive fuel retail industries, the total turnover is US\$50.55 billion.

In 1988, there were 184 business format franchised companies in Australia. Today there are approximately 693. It is estimated that franchising will account for at least 60 percent of Australia's Gross Domestic Product (GDP) in the late twenty-first century, compared to around three percent in 1996. Australia is one of the most franchised countries in the world, with franchising being 2.5 times more successful than non-franchised businesses.

Franchising is experiencing continued dynamic growth in Australia. Overall, the Franchise Council of Australia predicts a picture of growth and stability over the next few years as franchising plays an increasingly important role in the Australian economy, particularly in times of high unemployment and downsizing by big business. Growth of the business format franchise system has been very strong over the past five years and growth projections for franchisors and franchisees are optimistic for the year 2000 and beyond.

Most franchised sales in Australia are still by product and trade name franchise chains. For example, food (including fast food)

convenience stores and retail, automobile and truck services, general retail, building services and improvements, and domestic business and maintenance services. U.S. franchise systems have been quick to see the opportunities for franchising in Australia, with many of the largest and most successful chains in Australia today having American origins.

Franchising has spread into virtually every area of commercial activity in Australia. High growth is being experienced in activities as diverse as house building, real estate, carpet cleaning, waste management, financial planning, fast food and breadmaking, to name a few. Although Australia is not yet saturated with different franchise systems and there is room for additional franchising opportunities especially for niche products in the areas of business to business and home services, U.S. systems must be flexible enough to "Australianize" their systems in order to be successful. It is important to note that Australia is a highly-sophisticated and competitive market.

#### **G. DIRECT MARKETING**

According to a recent survey, telemarketing is the fastest-growing segment of the thirteen industries in direct marketing, which also includes direct mail, catalogs, stuffers, the Internet, mail order, television, radio, newspapers, magazines, classified directories, shopper dockets, and exhibitions. This sector sells everything from holidays to home loans; however, the biggest generator of sales from call centers is the finance sector, which includes banking, insurance, and credit cards. In the year to December 1998, the value of such transactions outstripped traditional call center users, such as fast food home delivery services. During that year, the call center and "telesales" industry in Australia had approximate sales of over US\$55.9 billion - an overwhelming 75 percent increase on 1997. The industry employs about 210,600 people, mainly specialists.

Telemarketing is fast catching up to traditional retailing, which has long enjoyed a firm grip on Australia's purse strings. According to the Retailers Traders' Association, department stores, boutiques, supermarkets, and corner stores sold US\$89.7 billion worth of goods during 1998.

Advertising spending on direct marketing in 1998 was more than US\$4.6 billion, outpacing mainstream media at US\$4.5 billion.

## **H. JOINT VENTURES AND LICENSING**

Joint ventures are a common feature of Australia's commercial and legal environment. Broadly similar to U.S. practice, forms of joint venture in Australia include:

### **1. JOINT VENTURES**

**a) Unincorporated Joint Ventures** may, in colloquial terms, be described as 'contractual joint ventures' that do not create a separate corporate entity and which lack equity capital, i.e., no shares are allotted for the consideration of a payment of money or money in-kind. Such joint ventures look much like partnerships, because partnerships are also forms of contractual association that do not create a separate corporate entity or equity capital.

**b) Incorporated Joint Ventures** are companies. The shareholders in the company are the joint venture participants. Unlike in an unincorporated joint venture or partnership, the shareholders have no rights in relation to the company's assets; and they can participate in the profits (distributed as dividends), but not in losses.

**c) Unit Trusts** are devices that enable the separation of legal and beneficial interests in assets and the income derived therein. In a joint venture situation, the participants wish to insure that their entitlements are fixed rather than discretionary. A unit trust is a configuration in which the entitlement of beneficiaries is expressed in units relative to the total number of fixed units.

**d) Limited Partnerships** are creations of statute. They remain partnerships of general law and, therefore, do not give rise to the existence of separate legal entities. A limited partnership structure requires at least one general partner to have unlimited liability and limited partners who have liability limited to the extent of their investment in the partnership. Limited partnerships are used rarely in Australia.

**e) Hybrid Forms** comprise elements of each of the foregoing. They can also be created to suit the needs of the particular participants. For example, one participant in an unincorporated joint venture could be the trustee of a unit trust, while one shareholder in an incorporated joint venture could also be the

trustee of a unit trust.

## **2. LICENSING**

Australian industry is known for its ingenuity and practical approach to problem solving. In this context, the role of licensing is of particular importance for Australian commerce and industry.

License agreements involving Australian licensees should contain the usual terms one would find in a license in the United States, including: the type of license being granted (i.e., sole, exclusive or non-exclusive); the territory being covered; the license fee or royalty; licensee's duties and obligations; period of grant and field use of the technology involved; maintenance of quality control; ownership rights in improvements and innovations made by licensee; warranties and indemnities; technical assistance and confidentiality; sub-licensing and assignments; and termination.

On the whole, there are few legal and administrative requirements governing the field of licensing in Australia. Exclusive licenses of patents, copyrights and other statutory rights require compliance with certain minor formalities. The Trade Mark Act of Australia provides for the registration of licensees (or 'users', as they are called in the legislation).

In the final analysis, there is no alternative to a carefully drafted license agreement, which provides certainty in defining the parties' mutual obligations. This is as true in Australia as it is anywhere else in the world. However, the commonality of language and culture between Australia and the United States makes negotiations involving an Australian licensor or licensee easier.

### **I. STEPS TO ESTABLISHING AN OFFICE**

The Australian Securities Commission (ASC) is the national authority responsible for the administration of companies and securities law throughout Australia. It provides a nationwide system for the registration and regulation of companies, securities and futures markets. The requirements for starting a business are uniform in each state, and the same rules apply for local and overseas companies. While companies are registered with the national body (ASC), business name registration is required in

each state where business is transacted.

Because Australian business practices are similar to those in the United States, it is relatively straightforward for foreign investors, either in partnership with local companies or on their own account, to establish a business in Australia. A foreign company has a range of business structures from which to choose. The most common forms of business organizations are representative offices; branches of parent companies; subsidiaries; sole traders; partnerships; trusts; companies; and joint ventures. Overseas investors may set up an operation using any of these forms, irrespective of the business structure they have elsewhere.

Most significant businesses operating in Australia are incorporated as either private or public companies. Under the Corporations Law, the entity is registered automatically as an Australian company, enabling it to conduct business throughout Australia without further registration in individual states or territories. Local companies may be fully controlled by foreign owners. All registered companies must conform to Australian company law administered by the ASIC, covering: accounting; financial statements; annual returns; auditing and general meeting requirements; and the necessity to maintain a registered office open to the public.

A private company is the most typical structure for an overseas investor if it is to be a wholly owned subsidiary of a foreign company and if public offering of shares is not intended. The regulations that apply to a private company are simpler and less costly than those that apply to a public company. A private company may be converted into a public company at any time. Branch offices of overseas companies are established in Australia by registering the overseas corporation as a foreign company under Australia's Corporation Law. A branch office does not require directors to be Australian residents, but must have a registered office address and a statutory agent responsible for requirements of the Corporations Law. The branch will be assigned an Australian Registered Body Number (ARBN) which must be shown with the corporation's name on public documents.

While the procedure to establish an office is fairly straightforward, as in the U.S., it often is done best with expert legal and financial advice readily available from Australian and multinational service providers. Nominal costs for company

incorporation include filing fees payable to the ASC, legal costs for preparing the charter and bylaws, and registration. Application forms are available from ASC Business Centers in any state and can be lodged for any city. (See Appendix E.4)

## **J. SELLING FACTORS AND TECHNIQUES**

### **1. Market Research**

Before entering the market, prospective exporters to Australia should evaluate their proposed selling technique thoroughly to ensure that it is responsive to market demand for their product, technology or service in Australia. An effective way to evaluate the situation is to do some basic market research and then to follow through with a personal visit. There is no substitute for a first-hand look.

### **2. Common Sales Arrangements**

The use of agents and distributors is the most common way for U.S. companies to sell products in Australia, as discussed in more detail in Section B above. Because of market size, it is common practice for Australian distributors to ask for exclusive geographic and/or product rights.

Franchising, licensing, joint ventures, and direct marketing, as discussed in Sections E-G above, are all good alternative market entry techniques. These methods entail more investment and commitment than simply appointing an agent or distributor, but they may be more appropriate in the long run.

## **K. ADVERTISING AND TRADE PROMOTION THROUGH MAJOR NEWSPAPERS AND BUSINESS JOURNALS**

U.S. companies can promote their products in the major newspapers of each Australian State and/or national and State trade and industry magazines. The Commercial Service in Australia publicizes trade events by advertising in the financial sections of the major newspapers, in industry magazines, and in newsletters of associations. Contact information for leading newspapers, periodicals and business directories is found in Appendix E, or for more detailed information, in directories such as Margaret Gee's Media Guide, published by Information Australia ([www.infoaust.com](http://www.infoaust.com)).

## **L. PRODUCT PRICING**

Australia is a free enterprise economy, and basic market factors of supply and demand apply in product pricing. In order to complete successfully in this small, but highly competitive market, U.S. exporters to Australia must be prepared to offer flexible prices with, perhaps, lower than usual profit margins, and smaller minimum quantities. Some factors to consider are:

## **1. Selling Costs and Price Competitiveness**

It is important for U.S. exporters to Australia to competitively price their products. They will be selling in an active, highly competitive and vibrant market with a geographical area like that of the USA and a population comparable to that of greater Los Angeles. Products from all over the world are represented in this extremely sensitive market, where sellers and end-users alike are all searching for something new.

To structure prices competitively, suppliers must consider all the cost elements that imported products have to bear. The key factors are freight rates; handling charges; import tariffs; marketing costs, such as advertising and trade promotion; sales tax; and agent or distributor commissions. U.S. exporters should note the following:

- Sea freight rates from the U.S. to Australia are high when compared with those from within Asia, and even from Europe.
- Imports from competing European nations and many Asian nations (including Japan) have the same tariff rates as those from the United States. Tariff rates on imports from nations designated by Australian Customs as developing countries are five percent less than the general tariff rate.
- Sales tax is applied equally to most imported and locally made products at the wholesale level (at the rate of 11%, 22% or 32% depending on the product). It can make a difference to the end price of imported products, where sales tax is applied by Australian Customs at a nominal, as opposed to actual, wholesale value. If the nominal wholesale value is more than the mark-up generally applied by local manufacturers, imported products may be out-priced.

## **2. Volume Buying/Selling and Discount Pricing**

Australian wholesalers and retailers traditionally have sought the highest markup the market would absorb, rather than thinking of



volume buying or selling. This pattern is changing as open markets and the influx of franchisers and other high-volume businesses have alerted the increasingly cost-conscious consumer to competitive discount sales and services. Suppliers need to be able to deliver quality products and/or services at attractive prices. To compete successfully, exporters should consider granting maximum wholesale discounts, keeping in mind that a significantly-sized order to an Australian buyer may still seem like a small order to the U.S. exporter.

Some Australian importers prefer to deal directly with manufacturers. They have the perception that it is cheaper to deal with the overseas manufacturer rather than sourcing from overseas distribution houses. This cultural perception is gradually changing, but could result in a U.S. mass merchandiser being called on by a potential importer to justify its pricing system.

### **3. Industrial Pricing**

Factors of price, quality, reliability and support in the way of service are prime considerations when selling industrial products or capital equipment. While price is certainly a major factor, a purchaser may decide to pay more for a piece of equipment known to be of better quality and more reliable than a competing product. However, U.S. exporters must be prepared to negotiate on price or other aspects of the purchase.

In general, Australians are conservative when purchasing capital equipment to upgrade their manufacturing processes. They take time to make purchasing decisions, weighing them carefully against their perceived payoff to increase bottom line profits. If the bottom line does not appear to receive much gain, they may simply defer the purchase.

### **4. Price Controls**

There is little formal price control in Australia. The national regulator, the Australian Competition and Consumer Commission (ACCC), has the power under the Prices Surveillance Act of 1983 to investigate, vet or monitor the prices charged by businesses. These statutory pricing powers, which are designed to make particular businesses or industries publicly accountable for the prices they set, can only be employed where the Federal Government has authorized their use. The ACCC generally uses its pricing powers to examine prices charged by companies and government

enterprises that hold substantial power in a market. The Commission's use of its enquiry and monitoring powers culminate in a public report and, where necessary, recommendations to the Government.

Companies "declared" by the Government are required to notify the ACCC of proposed price rises. The Commission usually has 21 days in which to endorse, object or suggest a different price to that proposed. Companies tend to follow the recommendations of the ACCC. The list of declared companies has been reduced significantly in recent years because of increased competition. Oil, beer and cigarettes are the areas where it still applies in the private sector. Airport and postal services are the areas affected in the public sector.

State governments have the power to control prices, but in recent decades have rarely done so.

#### **M. SALES SERVICE AND CUSTOMER SUPPORT**

Generally, doing business in Australia is simple for U.S. exporters when compared with other foreign markets. Culture, language, and business practices are remarkably common. However, subtle cultural differences do exist that can either invigorate or undermine a business relationship. In their dealings, both Americans and Australians are wise to take the time and effort to confirm that their perceptions about roles and expectations are consistent with those of their counterparts.

Depending on the product or service to be exported, Australian agents/distributors expect support from their U.S. suppliers. Examples of this support include product warranty for a specified time, training, advertising, and promotion.

Timely delivery of goods, including spare parts, is expected and is rarely a problem, as major U.S. freight forwarders have offices in Australia. Air freight is used commonly for smaller items. Shipping schedules are reliable. Where necessary, U.S. firms should ensure that their representatives can service the imported equipment or that there are service arrangements in place.

#### **N. SELLING TO THE GOVERNMENT AND LOCAL INDUSTRY DEVELOPMENT ENCOURAGEMENT**

Australia is not a signatory to the GATT/WTO Agreement on Government Procurement, which means that it is not bound by

conditions prohibiting specification of locally-made product in tenders. The Australian Federal Government has made recent overtures to individual States, but consensus on signature has not yet been reached.

Although Australia's government procurement process generally is considered to be well-documented and fair, with few restrictions on foreign bidders, there exist a number of qualitative decision factors relating to local industrial development. It is important for U.S. companies considering bidding for major government business to understand, and to take these factors into account in their bid structuring. This applies particularly to their consideration of whether to team with Australian industry partners, or to go it alone.

Australia no longer has a system of offsets. However, some form of commitment to counter-expenditure will be necessary for an overseas company to be successful in winning a large government tender. Government business is often won or lost on the amount of local industry participation offered by the bidder, including research and development and investment activities undertaken in Australia as a result of the business.

Federal and State governments actively encourage local industry participation in government procurement, through purchasing policies and clauses contained in tender documents. Bidders and purchasing agencies are often required to submit separate industry impact statements. Most local governments stop short of directing their agencies to give preference to local suppliers.

Foreign information technology companies with annual sales to the Australian Government in excess of A\$40 million are encouraged to participate in the Partnership for Development scheme, and those with sales of less than this figure, in fixed-term arrangements. It is not legislated that companies participate, but there is strong pressure to sign-up in order to continue doing business with the Australian Government. The schemes promote research and development, training, technology transfer, capital investment and jobs.

#### **O. PROTECTING YOUR PRODUCT FROM INTELLECTUAL PROPERTY RIGHTS (IPR) INFRINGEMENT**

Copyrights, patents, trademarks, industrial designs and integrated circuits are protected under Australian law. Australia is a member of the major global intellectual property protection

organizations and conventions. American patent holders planning extensive sales or manufacturing in Australia should not assume that a U.S. patent provides comparable protection in Australia and should seek legal advice as to the advisability of registering their patents under Australian law.

For a full discussion of Intellectual Property Rights see Chapter VII, Investment Climate, H.

Copyrights are protected under the Copyright Act of 1968 for the life of the author plus 50 years and in most cases apply to books, sound recordings, films and computer software. The parallel importation of overseas sound recordings and computer software is illegal. It is regarded as an infringement of copyright, under Sections 37 and 38 of the Act. However, the Senate is presently debating amendments to Australian copyright law which could open up the Australian market to numerous non approved importers; Copyright Amendment Bill No. 1 would remove copyright bans over parallel imports of packaging, labeling and accessories allowing the importation of branded goods without a license; Copyright Amendment Bill No. 2 would remove copyright bans on parallel imports of sound recordings. The fate of both these bills rests in the hands of the minor parties in the Senate. Limited parallel importation is permitted for books in cases where the original editions are not made available in Australia in a timely fashion.

Patents are available for inventions in all fields of technology under the Patent Act of 1990. Trade secrets are protected by registration under the Designs Act for one year, with extensions. Trade names and marks may be protected for seven years and renewed at will by registration under the Trademark Act of 1955. Once used, trade names and marks may also, without registration, be protected by common law.

The Australian Patent, Trademarks and Designs Office of IP Australia handles inquiries regarding laws, regulations and procedures applicable to patents, trademarks, other industrial property rights protection, and copyrights. (See Appendix E.4., for contact information.)

#### **P. NEED FOR A LOCAL ATTORNEY**

As in the United States, in Australia it is common practice and makes good business sense to retain the services of a reputable attorney familiar with local business conditions, local law, and regulations. Legal expertise is needed to execute legal

documentation, interpret laws and regulations, and ameliorate disputes. Most businesses also use the services of a professional accounting firm.

Many well-known local and international law and accounting firms practice in Australia, some with offices throughout Asia and the United States. The Commercial Service in Australia and the American Chamber of Commerce maintain lists of law and accounting firms, as do legal and accounting associations.

**Q. PERFORMING DUE DILIGENCE/CHECKING BONA FIDES OF BANKS, AGENTS AND CUSTOMERS**

U.S. firms should exercise normal commercial prudence when doing business in the Australian market and are advised to perform due diligence on likely business partners and customers. A good place to start is with the Australian Securities & Investment Commission (ASIC), a government agency which enforces and administers Australia's Corporations Law and registers all companies.

For a small fee, ASIC can provide you with a "historical company extract" which will tell you how long a company has been in business, whether it is registered, its principal place of business, who its directors are, and details about its share capital is like. ASIC can also advise on whether any of the directors have been disqualified.

There are a number of credit agencies, which can provide you with credit/status reports on Australian companies. For further advice on what steps you can take to assess the bona fides of any company, visit ASIC's website at [www.asic.gov.au](http://www.asic.gov.au) or contact the Commercial Service.

**CHAPTER V: LEADING SECTORS FOR U.S. EXPORTS AND INVESTMENT ("BEST PROSPECTS")**

**Best Prospect Export Sectors at a Glance:**

1. COMPUTER SERVICES (CSV)
2. TELECOMMUNICATIONS EQUIPMENT (TEL)
3. TELECOMMUNICATIONS SERVICES (TES)
4. COMPUTERS AND PERIPHERALS (CPT)
5. COMPUTER SOFTWARE (CSF)
6. LABORATORY & SCIENTIFIC EQUIPMENT (LAB)

7. MEDICAL EQUIPMENT (MED)
8. TRAVEL AND TOURISM (TRA)
9. ENVIRONMENTAL TECHNOLOGIES (POL)
10. AUTOMOTIVE PARTS & ACCESSORIES (APS)
11. AIRCRAFT AND PARTS (AIR)
12. INDUSTRIAL AND SPECIALTY CHEMICALS
13. CONSTRUCTION MACHINERY (CON)

**A. EXPORTS**

All statistics are calculated using the following conversion rates:

1996 A\$1 = US\$0.76  
1997 A\$1 = US\$0.74  
1998 A\$1 = US\$0.63  
1999 A\$1 = US\$0.66  
2000 A\$1 = US\$0.70

## **1. COMPUTER SERVICES (CSV)**

**Rank of sector: 1**

**Name of Sector: COMPUTERS SERVICES**

**ITA Industry Code: CSV**

The Australian IT market was valued at US\$13 billion(\*) in 1998. In 1997, it was reported that the market grew by 11 percent. The computer services market is the fastest growing subsector of the Australian IT market.

According to recent figures released by the Australian Bureau of Statistics (ABS), the Australian computer services market in 1998 was valued at US\$6.2 billion dollars. The ABS defines computer services as computer consultancy services, hardware consultancy services, outsourcing and processing services, commercial database services, computer hardware servicing/repairs and maintenance, installation and cabling services, and training and education services.

Computer consultancy and outsourcing are two areas that are experiencing rapid growth. Some observers have suggested that these segments have been growing at approximately 40 percent per annum and will grow from 25 percent of total Australian IT expenditures in 1997, to 35 percent of the IT market in 2002.

This growth is attributable to:

- the decision by state and federal governments to outsource a large proportion of their individual departments' provision of IT requirements. Already, large departmental contracts have been awarded to large U.S. integrators, like IBM Global Services, CSC and EDS.
- the decision by more and more multinational companies to house their Asia-Pacific regional headquarters in Australia. This has led to contract work in terms of establishing call center facilities, as well as other IT integration opportunities. In some cases, companies have chosen to outsource their service center facilities (for example, Cathay Pacific, which has outsourced its call center and billing services requirements to IBM Global Services).
- companies requiring assistance to address their Y2K fixes.
- Australian companies implementing enterprise-wide systems, such as enterprise resource planning (ERP) and knowledge

management solutions.

The service industry is not only the confines of the large multinationals. In Australian distribution channels, resellers and value added resellers (VARs) are redefining their business strategies by incorporating a range of services with traditional "box" selling.

Good opportunities exist for U.S. IT services companies in the Australian market. Two possible market entry scenarios are:

- enter the market through bidding on a government or private company tender;
- Find a local integrator/partner and leverage their contacts in the local market.

It is predicted that the computer services market will grow in excess of 20 percent in 1999.

**DATA TABLE** (Millions of US\$)

	1997	1998	1999
A. TOTAL MARKET SIZE	5,000	6,200	7,198
B. TOTAL SALES BY LOCAL FIRMS	4,970	6,180	7,193
C. TOTAL EXPORTS	117	120	125
D. TOTAL IMPORTS	87	100	120
E. TOTAL IMPORTS FROM THE US	60	80	100

\* The above figures include unofficial estimates

## **2. TELECOMMUNICATIONS EQUIPMENT (TEL)**

**Rank of sector: 2**

**Name of sector: TELECOMMUNICATIONS PARTS & EQUIPMENT**

**ITA Industry Code: TEL**

In this exciting and rapidly-advancing industry sector, U.S. exports of telecommunications equipment to Australia represent about 20 percent of the total import market and have the potential to grow at about 15-20 percent annually.

Australia's telecommunications industry is well-developed and mature. It is currently upgrading to leading-edge technology, heading toward a broadband system, and is on the verge of further expansion following deregulation on July 1, 1997. Synonymous with



deregulation is the end of Telstra's monopoly for carrying local calls. Deregulation has permitted competition in the long distance telephony market, but is only slowly allowing access to the local call market. With 25 licensed carriers and frequency allocations close to full allocation, the players in the market, (especially Optus Cable & Wireless, AAPT and Primus) are calling for full access to all telecommunications services.

Other key niche segments include the mobile market and, most importantly, the Internet networks. These two segments have opened major areas of equipment provision previously not required. The introduction of the CDMA mobile network replacement for the analog system is important for suppliers like Motorola, which is strong in the handset provision segment. Internet expansion in Australia has meant the need for hardware for the providers through to the customer.

All carriers, including Telstra, continue to develop and upgrade existing networks. These carriers usually carry out network infrastructure purchases on an "invitation only" basis to selective international telecommunications suppliers, which must also be prepared to include some aspect of local industry development. Nonetheless, U.S. exporters of network infrastructure products should consider presenting their products to the carriers.

The current cycle of broadband, PSTN digitization, and mobile rollouts is coming to an end. U.S. exporters may be able to secure a foothold at an early stage of the next cycle of technology development: Leosats, PCS, ISDN, ADSL, Internet and interactive multimedia being the emerging industries of the next cycle.

Telephone lines have been wired to 96 percent of all Australian households, and total telecommunications revenue is estimated at US\$17.8 million. There are an estimated 6 million mobile phone users in a population of over 18 million.

Telecommunications products are segmented into customer premises equipment (CPE), such as telephone handsets, and network equipment and infrastructure. Customer premises equipment is defined as products attaching to the network at the customer end, and includes not only telephones, small business systems and PABXs, but any other piece of equipment attached externally to the network. U.S.-made CPE equipment will not be permitted in Australia without modification to comply with regulations set down

by the Australian Communications Agency. U.S.-made analog mobile phones have sold well in the past, as they are compatible with the analog AMP network in Australia. However, the gradual withdrawal of spectrum space in the analog AMP network and increased spread of the digital GSM network will result in U.S.-made products losing market share to European-made GSM products. This could change, in time, if the U.S. operates digital GSM networks and begins manufacturing GSM equipment.

U.S. products, including advanced network equipment such as ATM switches, call processing and managing equipment, modems and routers, are competitive in Australia. A number of U.S. companies, including Lucent, Scientific Atlanta, ADC Communications, Digital Equipment and North American company Nortel, have contracts to supply network equipment.

Major network equipment competitors include Siemens, NEC, Ericsson, and Alcatel of France. There are also many quality local suppliers, most of which are subsidiaries of international companies, including Ericsson and Alcatel. Motorola is a major player, with products coming from the U.S. and Europe.

**DATA TABLE** (Millions US\$)

	1997	1998	1999
A. TOTAL MARKET SIZE	2,9203,3993,816		
B. TOTAL LOCAL PRODUCTION	1,4111,5951,846		
C. TOTAL EXPORTS	595	691	727
D. TOTAL IMPORTS	15081,8091,969		
E. IMPORTS FROM THE U.S.	326	386	460

\* The above figures include unofficial estimates.

\*\* 1999 U.S. dollar estimates reflect the significant currency devaluation of the Australian dollar during this period.

### **3. TELECOMMUNICATIONS SERVICES (TES)**

**Rank of sector: 3**

**Name of sector: TELECOMMUNICATIONS SERVICES**

**ITA Industry Code: TES**

Telecommunications services in Australia are booming, with a revenue of about US\$3.5 billion in 1998 and an expected growth of about 20 percent annually. This varies between market segments from about 10 percent for video and broadcasting online services to about 30 percent for Internet services. U.S. products are

extremely well-received, and U.S. exports of telecommunications services should continue growing by 15-20 percent annually.

The market was opened to full competition in 1997 and the last year has seen the introduction of a plethora of carriers offering various telecommunications services new to Australian consumers. As of May 1999, there were 25 licensed carriers. A sizeable number of these carriers include U.S. companies that have identified opportunities in Australia. This list includes Primus, United Telecommunications, WorldXchange, etc. While market accessibility has increased, there is still some lag in access to the local call market, as well as local accessibility referred to as the "last mile". The market is very keen to get access to this market and there is some concern that the former monopoly provider Telstra will continue to use "stall tactics" so as to delay access to its infrastructure.

The growth of data communications over voice has primarily been witnessed through the strength of the Internet, of which Australia is a major user. This Internet growth in Australia has created an explosion of providers for this service. Many telecommunications carriers have, in one form or another, seen the business opportunities in this area and set up Internet provider services. The growing interest in electronic commerce as an adjunct to the Internet is spanning the arrival of facilitators for this service. While the industry is interested in electronic commerce, it is probably safe to say that there is still a little reluctance to become fully immersed in this technology. It would seem that this reluctance might, however, be only short-lived.

The growth of mobile phone usage has opened up numerous providers for this service and, given the strong demand for mobile communications, this trend should continue.

The market is also rapidly growing, diversifying and adapting to swift technological change. In the future, it will incorporate broadband services, data-based and regular telephony services.

Good market entry opportunities are available in providing Internet access, electronic commerce, mobile phone service, wireless communications, facilities management (billing services, call centers, etc.), electronic funds transfer at point-of-sale (EFTPOS), electronic data interchange, and the simple resale of capacity.

**DATA TABLE** (Millions US\$)

	1997	1998	1999
A. TOTAL SALES	11,255	12,100	13,190
B. TOTAL SALES BY LOCAL FIRMS	9,121	9,700	10,223
C. TOTAL SALES BY FOREIGN-OWNED FIRMS	2,134	2,400	2,967
D. SALES BY U.S.-OWNED FIRMS	1,156	1,387	1,600

\* The above figures include unofficial estimates.

\*\* 1999 U.S. dollar estimates reflect the significant currency devaluation of the Australian dollar during this period.

#### **4. COMPUTERS & PERIPHERALS (CPT)**

**Rank of sector: 4**

**Name of Sector: COMPUTERS & PERIPHERALS**

**ITA Industry Code: CPT**

Hardware sales (systems and servers, single-user systems, and peripherals) have decreased as a percentage of overall Australian IT sales by four percent over the past two years. The Australian hardware market is valued at approximately US\$7 billion.

The Australian IT Market (by Segment, by Value)

Professional Services	21.3 percent
Software	14.7 percent
Data Communications and LAN Hardware	18.8 percent
Single-user Systems	21.8 percent
Peripherals	6.2 percent
Support Services	4.7 percent
Processing Services	2.4 percent
Systems and Servers	4.3 percent
Other	5.7 percent

At the consumer level, the decreasing cost of memory has increased the affordability of PCs in Australia.

IDC reports that the Australian PC market is valued at US\$4 billion and that there are approximately 6 million PCs in use in Australia. Most U.S. PC vendors have reported double-digit growth over the last year. It seems that the Asian economic problems have not affected the Australian market as much as first feared.

However, some areas of the consumer market remain flat. Industry sources suggest that monitor sales have not been as strong as

anticipated over the last year.

The use of the Internet is growing exponentially in Australia. In 1998, more than one million households were connected to the Net - a four-fold increase over the number of households wired in 1996. Some analysts are predicting that there may be as many as two million Internet households by the end of 1999.

At the enterprise level, research has shown that 62.5 percent of manufacturers are connected to the internet and a further 24 percent are planning to connect within the next year.

Hardware associated with accessing the Internet will grow strongly over the next few years. It is predicted that there will be strong demand at the consumer level for scanners, modems and digital cameras. Furthermore, the demand for hand-held devices for accessing the Internet and e-mail will be robust over the next few years.

At the enterprise level, demand for networking equipment will remain strong. Even though some analysts have been predicting a demise in the Unix market, it shows no signs of dwindling, having grown at 30 percent last year.

Vendors and distributors are predicting that hardware sales in the corporate market will remain flat for the second part of 1999, as companies test their Y2K remediation work.

**DATA TABLE** (Millions US\$)

	1997	1998	1999
A. TOTAL MARKET SIZE	6,1005,1905,605		
B. TOTAL MARKET PRODUCTION	1,9001,5601,700		
C. TOTAL EXPORTS	1,4001,1001,220		
D. TOTAL IMPORTS	5,6004,7305,125		
E. IMPORTS FROM THE U.S.	2,2252,4602,700		

**5. COMPUTER SOFTWARE (CSF)**

**Rank of sector: 5**

**Name of Sector: COMPUTER SOFTWARE**

**ITA Industry Code: CSF**

The Australian software market has been growing steadily at approximately 15 percent per annum over the last few years. It is predicted that the market will grow from 14.3 percent of total IT spending in Australia to an anticipated 18.5 percent in 2002.

The packaged software industry was estimated to generate US\$1.28 billion in sales in Australia in 1996. Observers have predicted that the industry will have a market value of US\$2.6 billion by 2001.

In 1995, the Australian Bureau of Statistics (ABS) noted that IT imports into Australia were valued at approximately US\$4.5 billion. Packaged software accounted for roughly US\$275 million of these imports. The U.S. is the largest single exporter of packaged software to Australia, accounting for 66 percent of all packaged software imports (valued at US\$210 million in 1998).

Factors contributing to the growth of software sales in Australia include:

- the increase in Internet usage and Java-enabled software;
- the growth in the Enterprise Resource Planning (ERP) and Knowledge Management markets at the enterprise level;
- a steady fall in the price of memory.

Packaged software includes the following products:

- PC business software: the operating system that governs the running of the computer and the specific applications programs that run on it (which includes word processing, spreadsheets, databases, graphics, communications, computer-aided design (CAD), and networking products, but excludes entertainment and educational applications). PC business software may be either packaged or custom-developed, but statistics included in this document refer only to packaged software.
- packaged software: software that is sold in a standard form to all customers and is not specifically written for (or adapted to) any individual's requirements. Packaged software is produced for mass distribution through a variety of sales channels. Packaged software includes many business software programs, as described above, and other packaged software products such as entertainment and education programs.

At the consumer level, a strong uptake of Internet filtering software is predicted over the next two years in Australia. The proliferation of unsuitable and harmful material on the Internet is of strong concern to the Federal Government. Expect to see more use of filtering software in schools and in the household to

protect minors.

At the enterprise level, there is still plenty of growth left in the intranet and groupware markets. Studies of 280 medium-to-large organizations in Australia have shown that 80 per cent of all respondents either already have or plan to install intranets and 63 percent have or plan to install groupware in the near future. As such, any software that fits the Web browser user interface model will be readily received in the Australian market.

In terms of addressing the Millenium Bug, Australia ranks in the league of one of the most prepared nations. Accordingly it is predicted that sales of Y2K-related software will remain static or fall towards the second half of 1999.

**DATA TABLE** (Millions of US\$)

	1997	1998	1999
A. TOTAL MARKET SIZE	2,395	2,5963,580	
B. TOTAL MARKET PRODUCTION	690	730	750
C. TOTAL EXPORTS	245	260	270
D. TOTAL IMPORTS	1,950	2,3502,700	E.
IMPORTS FROM THE U.S.	1,267	1,5271,755	

**6. LABORATORY AND SCIENTIFIC EQUIPMENT**

**Rank of sector:** 6

**Name of sector:** LABORATORY AND SCIENTIFIC EQUIPMENT

**ITA Industry Code:** LAB

The structure of the Australian laboratory and scientific equipment industry broadly reflects that of the U.S. It is characterized by a large number of small companies and a small number of multinationals. The four largest companies are Varian, Shimadzu, GBC Scientific and SGE Scientific.

Australia is a small and mature market, with about 90 percent of local consumption being supplied by imports. The main suppliers are Western Europe, the U.S. and Japan. U.S. products attain approximately 38 percent of the market. This is largely because of technical and quality factors. There is no significant price advantage or disadvantage attached to U.S. products when compared with third-country suppliers. Although Australia traditionally has been a highly inventive nation, with many new scientific patents being awarded to Australian researchers, the local manufacturing sector is slow to take advantage of these developments. The Australian Government recently doubled medical

research funds to A\$600 million over six years, which will provide incentives for the life science market.

Laboratory and scientific equipment must conform to Australian electrical standards, must comply with Australian Electromagnetic Compatibility (EMC) requirements, where appropriate, and must be appropriately labelled.

The market for laboratory and scientific equipment is relatively static at present. Best prospects are products for the life science market.

**DATA TABLE** (Millions US\$)

	1997	1998	1999
A. TOTAL MARKET SIZE	485	454	495
B. LOCAL PRODUCTION	323	287	321
C. EXPORTS (INCL. RE-EXPORTS)	204	176	198
D. TOTAL IMPORTS	367	344	372
E. IMPORTS FROM THE U.S.	132	130	141

**7. MEDICAL EQUIPMENT**

**Rank of sector:** 7

**Name of sector:** MEDICAL EQUIPMENT

**ITA Industry Code:** MED

Medical equipment is one of Australia's largest markets for exporters of U.S. products. The market is estimated to be about A\$1.6 billion, representing about one percent of the global market. It is a mature market, characterized by modest sales growth and fierce competition, resulting in pressure on margins and providing challenges for U.S. firms interested in venturing downunder. A large number of small companies and a small number of multinational firms serve the Australian medical equipment market. The U.S. is the world's largest producer of medical equipment, and most of the major U.S. medical companies are represented in Australia, either through local representatives or subsidiary companies.

Although a relatively small market, Australia's high per capita income means that there is demand for a full range of sophisticated medical equipment. Approximately 80% of local requirements are met by imports. U.S. medical equipment is traditionally well-received in Australia, due to its perceived



high quality and usually competitive pricing. Government policy and activity in the provision of public health services is a major factor in the demand for medical equipment. Figures published by the Australian Institute of Health and Welfare show that health services expenditure in Australia reached A\$43,204 million in 1996-97, an increase of A\$1,896 million on the 1995-96 of A\$41.308 million. The real rate of growth in 1996-97 was 2.9%, which was significantly lower than for any year since 1991-92, and lower than the average annual growth rate over the whole period 1994-95 to 1996-97 (4.0%).

Australia enjoys a high standard of medical practice. This, together with the expectation of state-of-the-art medical treatment by an educated population, ensures a continuing need for good quality and innovative medical equipment and products. Medical equipment, such as electromedical products, sterile devices, and implantables from all sources may require approval from the Australian Therapeutic Goods Administration (TGA) before they can enter the Australian market. As this approval can only be obtained by an Australian sponsor, U.S. exporters need to appoint an Australian representative before their products can be approved by the TGA.

Opportunities exist for state-of-the-art and innovative medical equipment and products.

**DATA TABLE** (Millions US\$)

	1997	1998	1999
A. TOTAL MARKET SIZE	1,306	1,531	2,45
B. TOTAL LOCAL PRODUCTION	383	338	366
C. TOTAL EXPORTS (INC. RE-EXPORTS)	204	180	195
D. TOTAL IMPORTS	1,126	994	1,074
E. IMPORTS FROM THE U.S.	588	518	560

\* The above statistics are unofficial estimates.

\*\* 1998 and 1999 U.S. dollar estimates reflect the significant currency devaluation of the Australian dollar during this period.

**8. TRAVEL AND TOURISM (TRA)**

**Rank of sector:** 8

**Name of sector:** TRAVEL AND TOURISM

**ITA Industry Code:** TRA

As a market for U.S. tourism, Australia is a major source of

export earnings. Since 1986, Australia has ranked in the top ten largest overseas markets for the U.S. In 1998, Australia was ranked as the tenth highest overseas market. In 1998, due to the effects of the Asian financial crisis, there was a slight decline in Australian travelers and visitor receipts compared to previous years. However, with an economy growing at the rate of approximately 3.5%, Australia remains an important market for the U.S. tourism industry. In 1998, travel receipts from Australian travelers were US\$1.5 billion. It is forecast that the total number of Australians travelling to the U.S. in 1999 will grow by 3.3% to 476,000.

The number of Australian residents traveling overseas has steadily increased since 1994. During 1998, 3.2 million Australians traveled overseas, representing an increase of 8% compared to 1997. The main purpose of most Australians traveling overseas is for vacation or to visit friends and relatives.

The U.S. ranks as the leading long-haul destination for Australian travelers, third only to New Zealand and Indonesia in terms of all destinations. In 1998, the most popular primary destination was New Zealand, accounting for 15% of Australian residents visiting abroad. This was followed by Indonesia, the main destination for over 11% of Australians travelling overseas, and the U.S. as the main destination for nearly 10%. Most significantly, the U.S. is the most favored long-haul destination for Australian travelers, ahead of the U.K. and Europe.

Australian travelers to the U.S. are characterized by long stays and high spending, and generally travel during the "off-season" months of March, May, June, September, October and December. Australians have a great propensity for travel and receive four weeks of annual vacation per year. The long distances for Australians traveling to the U.S. is reflected in their relatively long periods of stay. The average length of stay for Australians in the U.S. is 21 nights and the average daily visitor spending is US\$101. The Australian average length of stay is much higher than the average of all overseas visitors, which is 14 nights. In summary, Australians stay longer in the U.S. and spend more money than the average visitor.

The U.S. can offer the Australian traveler what they seek in a vacation destination and with no language barriers, stunning scenery, good shopping and entertainment facilities, and a variety of activities. In the long term, the steady growth of Australian travelers to the U.S. should continue. Most Australians

travelling to the U.S. are free and independent travelers (FIT), with only 21% purchasing pre-packaged tours.

The main states visited and their market shares are: California (60%), New York (21%), Nevada (17%), Hawaii (16%), Florida (12%), Texas (7%), Colorado (7%), Illinois (7%), Arizona (6%), Washington (6%) and Massachusetts (5%). The top cities for Australian visitation and their market shares are: Los Angeles (37%), San Francisco (23%), New York City (20%), Las Vegas (16%), Honolulu (14%), Anaheim (11%), Washington, DC (8%), Orlando (7%), Chicago (6%), San Diego (6%), Seattle (5%) and Boston (4%).

On average, Australians visit 1-2 states and visit 1-3 destinations. The destinations with the most potential for an increase in Australian visitors are West (including California), Mid-Atlantic (including New York), and South (including Florida and Louisiana). Good development opportunities exist in specialist holidays such as self-drive car rentals and RV holidays, skiing, and adventure travel.

Skiing is a popular holiday activity, with an estimated 85-95% of long-haul ski traffic from Australia heading for North America. This represents a change from 20 years ago, when Europe was the most popular long-haul skiing destination. Australians are not only going to Colorado, the traditional leader, but are also venturing to Wyoming, Idaho, Utah and Montana. Eastern ski resorts are increasingly combined with visits to New York City and Boston. Winter is an opportune time to attract additional Australian travelers to the U.S., as it corresponds to the Australian Summer, when school holidays are longer. Australians can take advantage of the off-season prices in the U.S. and lower domestic airfares. Notably, the particularly long average stay of 21 days in the U.S. by Australians does not significantly vary throughout the year.

**DATA TABLE** (Millions US\$)

	1997	1998	1999
A. TOTAL MARKET SIZE	6,1296,741	7,617,617	
B. U.S. RECEIPTS FROM AUST. TRAVELERS	1,8391,534		1,672

\* The above figures include unofficial estimates.

## **9. ENVIRONMENTAL TECHNOLOGIES**

**Rank of sector: 9**

**Name of sector: POLLUTION CONTROL**  
**ITA Industry Code: POL**

At present, Australia ranks as the tenth largest environmental market in the world, with an estimated market size of more than US\$5.4 billion annually and a forecast growth rate of three percent. The industry's manufacturing sector enjoys a good reputation for well-designed, robust products, particularly in the instrumentation and water and waste-water treatment areas. There are over 2,000 companies and organizations in the Australian environmental industry.

According to a 1996 Australian Bureau of Statistics survey, spending on environmental protection can be broken down as follows:

- Public sector sanitation and protection of the environment, US\$2.4 billion (State Governments have financed the largest share of this spending);
- Gas and electricity utilities, US\$103.6 million;
- Agriculture, US\$125.4 million (the highest spending was reported by the beef/cattle farming and grain growing industries);
- Mining, US\$163.7 million (the highest pollution abatement and control spending was recorded by the non-ferrous metals and coal mining industries);
- Manufacturing, US\$540.9 million (highest spending was recorded by the metal product industry);
- Service industries, US\$475.8 million (service industries primarily incurred waste handling expenses, the majority of which were paid to private contractors);
- Household sector, US\$1.4 billion.

Environmental issues exert strong and expanding influence in legal, economic, commercial and political circles. The increasing public emphasis on pollution reduction, with the prospect of significant fines and adverse publicity for companies which exceed regulated discharge limits, has important implications for the industry as a whole.

The venture capital industry in Australia is not sufficiently developed or focused to seize the opportunities available for commercialization and export of environmental technology. This constraint has made agency, distribution, technology transfer and joint venture arrangements preferred options for Australian environmental firms. Serious U.S. evaluation of Australia's

market potential remains timely. European competition in this region is already evident and strengthening rapidly.

The overall driving philosophy in Australia's environmental protection program is waste minimization, materials recycling and treatment of problems at the source. The following technologies are of particular significance:

- applications for reducing, reusing and recycling of waste for use by industry and local government;
- remedies and preventative technology for soil degradation and contamination;
- methods to determine industrial waste control needs for water, hazardous materials, solids and liquids;
- expert consultancy to provide comprehensive on-site evaluations and solutions to environmental problems;
- bioremediation;
- environmental health issues in buildings, e.g. control of legionnaires' disease and technology to improve the efficiency and maintenance of Australian cooling towers;
- storm water products, technologies, infrastructure and urban planning; development of cost-effective systems for handling large but intermittent storm water flows; storage and control options; removal of contaminants;
- clean and renewable energy sources, such as clean coal technology and energy efficient technology; solar collector technology;
- development of improved processes for fuel and energy production from wastes;
- development and manufacture of small, transportable, and cost-effective waste management systems, suitable for developing countries and remote communities;
- services embracing commercial waste audits, process design assessments, financial assessments, technology assessments, market research and analysis, testing and evaluation, regulatory and legal assessments, and commercialization assistance; and
- state-of-the-art solid waste disposal technology alternatives and waste management methods. (Landfill problems are looming as Sydney is set to run out of landfill space for rubbish dumping within four years.)

The 1990s is the decade of the environment. The opportunities are ready to be found and shared in the Australian marketplace and beyond. Australia needs strategic alliances to help commercialize some of its own emerging environmental technologies, as well as to adopt advanced technological developments through strong

partnership relations.

**DATA TABLE** (Millions US\$)

	1997	1998	1999
A. TOTAL MARKET SIZE	5,7055,0085,412		
B. TOTAL LOCAL PRODUCTION	1,8251,6031,732		
C. TOTAL EXPORTS	113	101	108
D. TOTAL IMPORTS	3,9933,5063,788		
E. IMPORTS FROM THE U.S.	918	801	866

\* The above figures are unofficial estimates.

**10. AUTOMOTIVE PARTS AND ACCESSORIES**

**Rank of sector: 10**

**Name of sector: AUTOMOTIVE PARTS AND ACCESSORIES**

**ITA Industry Code: APS**

Prospects for U.S. automotive parts and accessories in Australia remain excellent, with U.S. exports for representing approximately 27 percent of the total parts and accessories imported in the year 1997/98. Japan is the market leader with 48 percent of the total imports, followed by the U.S. and then Germany. The total market for imported auto parts and components is, according to Department of Foreign Affairs and Trade figures, \$A1.9 billion (\$US1.45 billion). The automobile market in Australia, as of December 1998, registered the equivalent of 11.5 million vehicles on the road, with a record figure registered for 1998 of 810,000. A significant development of late has been the increasing age of the average vehicle in Australia which has increased to 10.8 years of age. This is often interpreted as being beneficial to the aftermarket industry.

The market can be broadly segmented into OE (Original Equipment), covering the supply of product to manufacturer, replacement parts (aftermarket) and accessories.

The major vehicle manufacturers (General Motors, Ford, Mitsubishi and Toyota), which manufacture approximately 40 percent of all vehicles sold, negotiate for OE products through their traditional supply lines, both nationally and internationally. Since December 1997, OE components are meeting QS9000 quality requirements and Australian component manufacturers have upgraded to meet that requirement. OE and aftermarket components also need to meet ISO

9002 quality standards.

While industry sources do not expect large growth figures, opportunities exist for U.S. exporters of automotive aftermarket products, including replacement parts and general accessories. Australian production of aftermarket accessories and parts ranges around at 50 percent of the total market, so importers and distributors are always searching for new products to complement existing product ranges, and they frequently source from the United States. However, U.S. exporters must be prepared to make sales of relatively small volumes and at competitive prices. Numerous U.S. companies in the aftermarket sector have recently established distribution systems in Australia, yet there is still room for more players. U.S. exporters are encouraged to look seriously at this market, quite possibly via the Australian Automotive Trade Fair to be held in early May 2000 in Melbourne, the heart of the aftermarket industry in Australia.

U.S. products that are competitive include a wide variety of replacement/aftermarket parts and accessories, compression-ignition internal combustion piston engines (diesel or semi-diesel), carburetors, piston rings, fuel injection products, fuel pumps, transmission products, ignition wiring, gear boxes, tools and more.

Since the onset of the Asian financial crisis and fluctuations in the relationship between the Australian dollar (as compared to the U.S. dollar), there have been concerns raised about possible reductions in imports of auto accessories and parts. Figures available have not borne out this concern.

**DATA TABLE** (Millions US\$)

	1997	1998	1999
A. TOTAL MARKET SIZE (wholesale)	4,3234,7005,039		
B. TOTAL LOCAL PRODUCTION	2,1212,3682,529		
C. TOTAL EXPORTS	511	545	623
D. TOTAL IMPORTS	2,1032,3322,510		
E. IMPORTS FROM THE U.S.	484	491	497

\* Figures are taken from Department of Foreign Affairs and Trade "Composition of Trade" and from the Australian Automotive Aftermarket Association.

\*\* 1999 U.S. dollar estimates reflect the significant currency devaluation of the Australian dollar during this period.

## **11. AIRCRAFT AND PARTS**

**Rank of sector: 11**

**Name of sector: AIRCRAFT AND PARTS**

**ITA Industry Code: AIR**

The aircraft industry in Australia is characterized by the manufacture of aircraft components mainly for large aircraft, repair and maintenance of large aircraft, and spares supply to the general aviation market. Defense plays an important role in sustaining this industry, which is valued in total at around US\$1.8 billion employing some 12,000 people.

The industry is becoming more trade-oriented, with manufactured exports exceeding US\$400 million and a further US\$400 million in re-exports. Australian turnover for aircraft maintenance and repair is around US\$450 million. Sales of aircraft and parts have been increasing steadily during the past decade, slowing only during recent years, although still showing a growth rate double that of industry generally. While imports of major aircraft vary according to the demands of the major commercial fleets, the number of smaller aircraft has been rising steadily by about 10 percent per year. The Australian Bureau of Industry Economics predicts continued growth in aircraft and parts by about 10 percent through 2005.

Australia offers good opportunities for American suppliers of aircraft and parts, with the U.S. enjoying a premier position in the market for aircraft, parts, avionics and ground support equipment. There is a strong local preference for U.S.-produced equipment in all areas of aviation and aerospace in Australia, both in defense and civil markets. The U.S. enjoys a share of total imports of up to 80 percent in some segments of this market.

Completed aircraft comprise about 66 percent of the imported value, and parts and components 24 percent. Other aircraft-related commodities make up the remainder. U.S. suppliers can maximize business through sole distributorships, as multiple distributors tend to compete strongly with each other in the market and thereby reduce profitability. Factors that give a competitive edge are product performance and functionality, after-sales service and spares. Good distribution is a prerequisite for new entrants, as well as competitive price, quality and reliability.

There are two major licensed airline operators, Qantas and Ansett, with around 40 regional commuter operators providing regular



public air transport services to over 260 airports. There are approximately 650 licensed charter service operations; 280 establishments offering flying training and 45 offering helicopter flying training. Other features of the general aviation segment include aerial work, such as surveying, spotting and photography, police and customs functions, and aerial medical services; private piloting; large corporations, which own their own aircraft; and agricultural services, of which there are around 60 leading operations.

General aviation is supported nationwide by about 150 small companies supplying parts and service, overhaul and maintenance. These companies are based at or near the major airports. Half of these establishments are located in New South Wales and Victoria, and account for almost all turnover. Between eight and ten enterprise groups account for 90 percent of industry turnover.

There are close to 9,700 aircraft on the Australian Register, with home-built aircraft and balloons showing strong growth in the market. Australia holds third position behind the U.S. and Canada in the per capita ownership of light aircraft.

**DATA TABLE** (Millions US\$)

	1997	1998	1999
A. TOTAL MARKET SIZE	1,120	1,150	1,245
B. LOCAL PRODUCTION	785	805	815
C. TOTAL EXPORTS	330	340	390
D. TOTAL IMPORTS	980	1,025	1,205
E. IMPORTS FROM THE U.S.	655	685	695
F. RE-EXPORTS	315	340	385

\* The above figures include unofficial estimates.

## **12. INDUSTRIAL AND SPECIALTY CHEMICALS**

**Rank of sector: 12**

**Name of sector: INDUSTRIAL CHEMICALS**

**ITA Industry Code: ICH**

The Australian chemicals industry has a turnover of approximately US\$19 billion annually and accounts for approximately ten percent of value-added manufacturing in Australia. A wide range of products are produced, including fertilizers, industrial gases, synthetic resins and rubber, inorganic chemicals (e.g., caustic

soda, soda ash and titanium dioxide) and a range of specialty chemicals. Major players include Dow Chemicals, Huntsman, ICI Australia, Kemcor, Wesfarmers, BOC Gases, SCM Chemicals and Shell.

The raw materials required by the industry include salt, limestone, sulfur, coal, gas, petroleum and minerals. Despite being a major producer of these materials, Australia manufactures less than 50 percent of its chemical needs. Past protectionist policies attracted multinational companies but encouraged a domestic focus. The level of foreign ownership has declined slightly in recent years, but still exceeds 70 percent. New investment projects are improving Australia's competitiveness and global outlook, but they are mostly aimed at expanding existing product outputs.

Generally, imports of chemicals exceed exports by a ratio of 3:1. The main exception occurs in paint manufacturing, where Australia has become a significant producer/exporter of titanium dioxide pigment.

A recent Australian Bureau of Statistics survey showed that 40 percent of chemical-related companies do not export and only 2 percent generate more than 50 percent of sales revenue from exports. In the petrochemical industry, polypropylene is one of the few products exported. While inorganic chemicals also enjoy export demand, most are imported for use locally. Exports of industrial gases, organic chemicals, soaps, plastic bag and film products, paints, fertilizers and rubber products (such as sponge and foam), hoses and belting all represent a very small portion of total sales. Because chemicals are mostly used as inputs into other industries, the effect of the Asian crisis has not been clear.

The U.S. has traditionally been the major supplier of chemical products to the Australian chemical industry. Twenty-three percent of total chemical imports are sourced from the U.S. Together with the U.K. and Japan, the U.S. accounts for more than 40 percent of total imports. A weakened Australian dollar is likely to mean that some of this market share is lost to emerging suppliers.

Changes in the distribution channels used within the chemical industry may further encourage import competition. There is a trend among medium-to-larger sized manufacturers to take on the wholesaling/distribution function in an effort to get closer to end-users. Wholesalers who have traditionally sourced industrial

chemicals from local manufacturers are always prepared to explore alternative supply sources.

**DATA TABLE** (Millions US\$)

	1997	1998	1999
A. TOTAL MARKET SIZE	15,772	14,646	15,085
B. TOTAL LOCAL PRODUCTION	9,697	8,873	8,910
C. TOTAL EXPORTS	3,037	2,806	2,918
D. TOTAL IMPORTS	9,112	8,579	9,093
E. IMPORTS FROM THE U.S.	2,003	1,637	1,735

\* The above statistics are unofficial estimates

\*\* 1997-99 U.S. dollar estimates reflect the significant currency devaluation of the Australian dollar during this period.

### **13. CONSTRUCTION MACHINERY**

**Rank of sector: 13**

**Name of sector: CONSTRUCTION MACHINERY**

**ITA Industry Code: CON**

Engineering construction activity for the financial year to June 30, 1999, is estimated at US\$11.3 billion, with US\$11.5 billion predicted for 2000. This sector has shown a robust performance over the past six years, driven by a boom in minerals investment, major private infrastructure projects (such as road works), a surge in telecommunications construction, and solid levels of government spending. Most industry forecasters speculate that in 2000, when some of the high-profile projects now underway have ended, activity will inevitably slow from current levels; but a collapse is not expected, as other projects will take up much (not all) of the slack. Several major power and possible rail projects should provide the main source of new growth; road construction is expected to remain at current high levels.

The value of non-residential building for the year to June 30, 1999, is estimated at US\$8.9 billion, with US\$9.1 billion forecast for 2000. Sectors with the fastest growth during the 1998/99 year were offices and other business premises, hotels, and health services. In 2000, non-residential building as a whole is expected to record weak growth, with industry property estates and mixed-use commercial developments predicted to show the strongest growth. Activity in New South Wales, which has been a major contributor to recent construction growth with Olympics-related

work, is set to slow sharply; however, it is not all bad news as work undertaken in some other States is expected to cushion the fall.

The market for construction equipment obviously depends on the state of the construction industry, and the outlook for this subsector is good for the remainder of 1999, with an easing in demand in 2000. Imports dominate, accounting for around 90 percent of the total market. The U.S. is the leading overseas supplier, followed closely by Japan. Other prominent suppliers are the United Kingdom, Germany and Korea. Major U.S. companies in the market are Caterpillar, Case, John Deere, and Ingersoll-Rand. U.S. manufacturers have a good market image and their spare parts support is considered to be the best in the world.

No trade restrictions or other non-tariff barriers exist for imported construction equipment. However, used machinery must be covered by a permit issued by the Australian Quarantine and Inspection Service (AQIS) prior to importation. Permit conditions are that each consignment must be free of infestation and quarantinable contamination, including live insects, seeds, soil, and other plant and animal debris. A cleanliness certificate must be presented to AQIS to verify that the machinery has been cleaned. Even so, the equipment is still subjected to mandatory inspection by an AQIS officer, steam-cleaned at premises approved by AQIS, and then re-inspected by a second independent AQIS officer.

Hydraulic excavators, wheel loaders/articulated four-wheel drive front-end loaders, and backhoe loaders are considered to have the best sales prospects.

Domestic production largely comprises attachments such as cabs, buckets, tractor tires, and wheels and rims.

**DATA TABLE** (Millions US\$)

	1997	1998	1999
A. TOTAL MARKET SIZE (*)	988.58	91.59	09.3
B. TOTAL LOCAL PRODUCTION (*)	25.0	22.4	22.8
C. TOTAL EXPORTS (*)	59.2	53.1	54.1
D. TOTAL IMPORTS	1,022.7	922.2	940.6
E. IMPORTS FROM THE U.S.	342.9	309.1	315.2

(\*) Local production figures are lower than exports because some companies operating in Australia import complete units, add value,

and then re-export, using Australia as a springboard to Asia-Pacific markets. Total market figures are also lower than imports because of this re-export activity.

The above statistics are unofficial estimates.

Note: 1998 and 1999 U.S. dollar estimates reflect the significant currency devaluation of the Australian dollar during this period.

## **B. AGRICULTURAL PRODUCTS**

Australia has educated, affluent consumers, willing to try new products. The population has a growing number of newly-arrived immigrants from all over the world, who bring with them expanded and diverse dietary tastes. Foreign travel is relatively common, especially by the generation now entering the work force, and these consumers have broadened their culinary horizons. Australian demographics are similar to those in the United States, with a large number of two-income families and a consequent need for more highly-processed and consumer-ready foods. Ownership of microwave ovens is also very widespread. Australian consumers are oriented towards the same factors that U.S. consumers seek - freshness, wholesomeness and healthy lifestyles. To a large extent, they are prepared to pay extra for them.

Given Australia's large agricultural base, market prospects for U.S. food products are best in areas drawing on innovation, economies of scale, and the U.S. position as a counter-seasonal supplier of fresh product. Total exports of U.S. food, forestry and fishery products were just under \$400 million in 1998. The nature of commodities exported from the United States has changed in recent years, with movement toward increased levels of intermediate and consumer-oriented food products.

The United States faces competition in this market from European and Canadian suppliers, as well as from specialty suppliers in other Asian countries. Domestic production is also well established and growing in product lines. There is considerable foreign investment in the Australian food sector, with many large multinational companies present.

All statistics are calculated using the following conversion rates:

1996 A\$1 = US\$0.76

1997 A\$1 = US\$0.74

1998 A\$1 = US\$0.63

1999 A\$1 = US\$0.66

2000 A\$1 = US\$0.70

	1997	1998	1999 (proj.)
<b>RANK: 1. PROCESSED FRUITS &amp; VEGETABLES</b>			
a. TOTAL MARKET SIZE (US\$MIL)	613	546	555
b. LOCAL PRODUCTION (US\$MIL)	588	515	530
c. TOTAL EXPORTS (US\$MIL)	181	178	185
d. TOTAL IMPORTS (US\$MIL)	156	147	160
e. TOTAL IMPORTS FROM U.S. (US\$MIL)	17	21	25
<b>RANK: 2. SOYBEAN MEAL</b>			
a. TOTAL MARKET SIZE (US\$MIL)	45	41	37
b. LOCAL PRODUCTION (US\$MIL)	10	20	18
c. TOTAL EXPORTS (US\$MIL)	36	22	20
d. TOTAL IMPORTS (US\$MIL)	1	1	1
e. TOTAL IMPORTS FROM U.S. (US\$MIL)	36	22	20
<b>RANK: 3. SALMON CANNED</b>			
a. TOTAL MARKET SIZE (US\$MIL)	37	42	46
b. LOCAL PRODUCTION (US\$MIL)	6	6	6
c. TOTAL EXPORTS (US\$MIL)	31	36	40
d. TOTAL IMPORTS (US\$MIL)	0	0	0
e. TOTAL IMPORTS FROM U.S. (US\$MIL)	19	22	25

Source: Australian Bureau of Statistics and unofficial estimates.

\*\* 1998 U.S. dollar estimates reflect the significant currency devaluation of the Australian dollar during this period.

## **C. SIGNIFICANT INVESTMENT OPPORTUNITIES**

### **1. Privatization**

The pace of privatization at the Australian Federal and State government level has slowed from the pace of recent years. A significant proportion of formerly government-owned assets has been transferred through sale or long-term lease to the private

sector. A recent decision by the Australian Federal Parliament to sell off a further third of Telstra shows that there is still room to move. Rank and file opposition at the State level, however, has slowed progress in selling off utilities in some states.

## **2. Major Infrastructure Development Projects By Sector/by State**

Australia has a well-established civil and commercial infrastructure, providing a sound backbone to the societal framework. Transportation systems have been well-developed to enable movement of people and commerce between centers of human activity; communications are a priority for an ethnically diverse and widespread community; and more recently, a rapidly developing electronic infrastructure has emerged to provide service conduits for financial markets.

The Commercial Service in Australia monitors closely the plans for privatization, corporatization, upgrades and major infrastructure development projects and reports opportunities regularly in the National Trade Data Bank (NTDB).

### **a. Air Transport**

Air transport facilities in Australia are undergoing progressive upgrades as domestic and international travel increases. Australian airports, with few exceptions, are now privately-owned and operated on long-term leases. Sydney's Kingsford Smith, regarded as the jewel in the Australian crown, will be listed for sale after the 2000 Olympics. A long-planned second major airport for Sydney has encountered resistance difficulties from resident groups and local councils, but will be need to be built in the coming decade to handle natural growth in passenger and freight movements.

Australia is moving toward an open-skies policy. According to Parliamentary sources, in the three years since March 1996, air capacity to and from Australia increased by the equivalent of 276 Boeing 747s per week, although foreign airlines are not as yet permitted to fly domestic routes. Foreign airlines must obtain an Air Operators Certificate before operating in Australia.

### **b. Rail Transport**

The Federal Government's aim is to create a more competitive rail industry through private sector involvement in areas ranging from operations and infrastructure to maintenance and engineering. The

reforms, through corporatization, increasing competition, contracting out of maintenance services, new private sponsored rail projects and privatization, have created intense interest and participation from both local and overseas freight/transport operators and investors.

In 1997, the Federal Government sold Australian National Railways (AN), which operated the short-haul freight railways in Tasmania and South Australia and was responsible for the interstate passenger services (the Indian Pacific, the Ghan and the Overland). AN was split into three divisions and sold to foreign consortia for \$95.4 million. Two of the three divisions went to U.S.-based consortia.

In January 1999, the Victorian Government sold its freight business, V/Line Freight, to a consortium comprising U.S. and local interests. At the time of this writing, the Victorian Government was in the final process of franchising its passenger train and tram operations.

The Western Australian Government has also announced its intention to sell Westrail's freight business. Subject to the enabling legislation being passed by Parliament, the Government intends to seek formal expressions of interest and to complete the sale and lease process by the end of 1999.

Strong interest from local and foreign consortia is also expected for the proposed sale of the National Rail Corporation (NR), which is owned by the Federal, New South Wales and Victorian Governments. NR operates interstate freight services, owns approximately 300 trains, employs 1,300 people, has over 250 customers and handles about 20 percent of all land-based inter-capital freight. The Federal Government is currently negotiating with the other owners to sell its share of NR.

Major new projects currently being discussed include a \$1.2 billion rail track linking Darwin to Alice Springs and a \$5 billion rail track linking Melbourne to Darwin via New South Wales and Queensland.

### **c. Sea Transport**

In December 1998, the Australian Federal Government sold the Australian National Line (ANL) shipping business to a French-based consortium, CGM. ANL was a substantial drain on government funds during its operations in the 1980s and early 90s, falling behind



competition in the international market. At the same time as the ANL sale, the State Government in Western Australia sold its own government-owned shipping line, United, in the belief that shipping operations belong in the private sector.

The growth in cruise shipping has stimulated the development of port infrastructure to meet the needs of cruise operators, and forms an integral part of overall port infrastructure development.

#### **d. Telecommunications**

The slow and partial privatization of Telstra (Australia's former carrier monopoly), along with the constant growth in telecommunications segments, has provided a whole new scenario in terms of investment in the telecommunications sector. Investment is being directed not only towards key projects like the "Southern Cross Underwater Cable Project", but also to the very strong segment growth in Internet access and the mobile phone/communications boom.

Telstra still remains the dominant investment provider and with 99% of Australia's 10 million plus telephone lines, it is no surprise. The technology drivers remain mass internet access, broadband schemes and mobile communications. Telstra has recently decided to spend \$A2 billion to overhaul the 10 million line public network. The other main issue, which is generating much interest amongst newer carriers, is that data is soon to overtake voice as the main form of traffic volume.

While it is not usual for Australia's major telecommunications carriers to go to open tender for the supply of products, they sometimes prefer to invite selected suppliers to tender for major works. Telstra has 'preferred suppliers' from which it sources network equipment for its upgrading and development program. Optus Communications has Strategic Supplier Partnerships with companies including Digital Equipment Corp., Nortel Australia, Nokia Telecommunications, Fujitsu Australia and Leighton Contractors, for the supply of network infrastructure.

More than 2.5 million homes in the major cities of Sydney, Melbourne, Adelaide, Perth, Brisbane and the Gold Coast have access to Telstra's broadband cable TV network. Ninety percent of all lines have been digitized along with 95% of domestic customers having access to ISDN. Telstra's MobileNet continues to expand its array of services in a very competitive environment and Personal Communications Services (PCS) are soon scheduled for

introduction.

The Optus network integrates satellite, wireless and wireline technologies to deliver long-distance and mobile services, local calls for business, data, fax, video entertainment and satellite services. Along with laying its cable TV network, Optus has built up 170,000 local call customers in parts of Melbourne, Sydney, Adelaide and Brisbane. The GSM network is now well-developed and Optus has a satellite mobile phone service, MobileSat, covering the Australian continent and 200 miles out to sea. MobileSat also provides voice, data and video services to the broadcast industry.

#### **e. Water and Sewerage**

The sewerage systems in most of Australia's major cities are old and, in many cases, overloaded. Upgrading strategies will have to address sewer capacity and condition equally with treatment. About 70 percent of expenditures relate to water collection and distribution and sewage collection and disposal. The remaining 30 percent is concerned with product quality or treatment, with about 10 percent of this related specifically to process equipment. While the public sector is the backbone of this industry segment, creating the strongest demand, private enterprises increasingly are becoming environmentally aware. Their environmental practices are under the microscope, and many are using "green" issues to position products.

Australian state governments are increasingly turning to restructuring and reforming public utilities. This is resulting in the corporatization of government-owned enterprises, as well as contractual arrangements with private enterprises. Impetus for these changes comes from the Hilmer Report (on competition) and COAG (the Council of Australian Governments).

Average annual expenditure on new capital works and renewal works for urban water supply and sewerage treatment is in the order of US\$455 million. Significant expenditure by water authorities will continue in the traditional purchase areas of pipelines, storage facilities, clean-up projects, pump stations and treatment plants.

#### **f. Construction**

A large number of engineering construction projects that have driven recent activity are now drawing to a close, leading to less upcoming work. The main source of new growth in engineering construction is expected to be from several major power, water

storage and supply, and possible rail projects. Some major projects in road construction and city development scheduled for completion by 2000 and beyond include:

Docklands Authority, Melbourne	US\$2.6 billion
City Link Freeway, Melbourne	US\$1.3 billion
Western Orbital Link Freeway, Sydney	US\$520 million
Eastern Distributor Tollway, Sydney	US\$455 million
Walsh Bay Development, Sydney	US\$422 million
Convention and Exhibition Centre, Perth	US\$227 million
Yelgin/Chinderah Pacific Highway Upgrade, New South Wales	US\$162 million
Albury Bypass Highway, New South Wales	US\$130 million
Federation Square, Melbourne	US\$130 million

## **g. Energy**

The Australian market offers one of the great growth opportunities for the international power industry, with power consumption forecast to increase by more than 20 percent by 2010. A major shift towards deregulation of the Australian electricity sector and private ownership of major infrastructure, coupled with the Asian crisis, has made Australia an attractive destination for foreign investment.

Privatization of both the electricity and gas industries and the associated reorganization will accelerate further gains in productivity and efficiency. Significant investment and infrastructure opportunities exist for U.S. firms to participate in the following proposed projects coming on-stream in Australia.

	<b>US\$ value</b>
<b>Australia Capital Territory (ACT)</b>	
The ACT government may combine a franchise/sale of its electricity and water utilities.	\$750 million

### **New South Wales**

There is still discussion on the possibility of privatizing the state-owned electricity generators, distribution and transmission assets.	\$ 20 billion
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### **Northern Territory**

- Development of the Shell/Woodside LNG plant, \$ 10 billion  
in Darwin
- Development of the Bayu-Undan Oil Field \$ 1 billion  
in the Timor Sea (Phillips Oil Co)
- Development of the Laminaria/Corallina Oil \$700 million  
Field in the Timor Sea.

### **Queensland**

- 850 km, gas pipeline from PNG Kutubu Gas \$ 3 billion  
Field to Townsville and an extension to  
Gladstone
- Transmission connection between Queensland \$425 million  
and New South Wales
- 700 MW open-cut coal mine-mouth power \$600 million  
station at Wandoan - Entergy and Tarong  
Energy
- 158 MW open-cycle gas turbine plant, \$ 50 million  
Transfield Holdings, Townsville
- 283 MW open-cycle gas turbine plant, \$ 80 million  
Townsville - AES Transpower
- 840 MW advanced-cycle boilers at \$650 million  
Callide Power Plant near Gladstone-  
CS Energy/Shell Coal
- 303 MW open-cycle gas turbine plant \$ 30 million  
using natural gas - Oakey Power Venture
- 368 MW combined-cycle natural gas turbine \$130 million  
plant Gladstone - NRG Asia Pacific
- 766 MW combined-cycle gas-fired plant at \$400 million  
Townsville - Stanwell/Dynergy
- 350 MW combined-cycle natural gas turbine N/A  
plant, Tarong Energy
- 200 MW cogeneration steam and gas plant \$200 million  
at Gibson Island - Sthe Energies
- 37 MW open-cycle gas turbine plant N/A  
converting distillate to natural gas at  
Swanbank - CS Energy
- Coal-fired boilers for Milmerran \$850 million  
generator - Intergen/Normandy/Mitsui
- Coal-fired generator for Kogan Creek - \$850 million  
Consolidated Electric Power Asia
- Integrated gasification combined-cycle \$800 million

- generator at Wilkie Creek - Transfield Holdings
- Gas-fired cogeneration plant - AGL Power/\$ 80 million Transalta
- Exploration work has commenced to tap coal seam methane in the Bowen Basin - Transfield and Tri-Star Petroleum \$ 20 billion

### **South Australia**

- South Australia's long-term lease of power assets, within the next 12 months \$ 4 billion
- Exploration for more gas in the Cooper and Eromonga Basins, Santos Ltd \$ 75 million

### **Tasmania**

- A trade, sale or lease option is still being considered for the state-owned hydro-electric assets N/A
- Tenders to develop the Bass Link - an undersea Cable connecting Tasmania to Victoria's electricity system, by the year 2002 \$300 million

### **Western Australia**

- Chevron Asiatic and partners to develop the Gorgon/Chrysaor gas field for LNG exports \$ 6 billion
- Sale of the 300 MW Collie Power Station in Western Australia may occur in the near future \$500 million
- Two new LNG production/processing trains for the North West Shelf project being considered \$ 4 billion
- Several multi-billion dollar mineral processing plants will need self-generation of electricity, which will be either coal or gas-fired. N/A

## **3. U.S. Outward Foreign Direct Investment**

The Government of the United States acknowledges the contribution that outward foreign direct investment makes to the U.S. economy.

United States foreign direct investment is increasingly viewed as a complement or even a necessary component of trade. For example, roughly 60 percent of U.S. exports are sold by American firms that have operations abroad. Recognizing the benefits that U.S. outward investment brings to the U.S. economy, the Government of the United States undertakes initiatives, such as Overseas Private Investment Corporation (OPIC) programs, Investment Treaty negotiations and business facilitation programs that support U.S. investors.

## **CHAPTER VI: TRADE REGULATIONS & STANDARDS**

### **A. TRADE BARRIERS**

#### **1. Tariffs**

Australia's long-standing policy of using tariffs to protect its local industry began changing in the early 1970s and was accelerated in 1988 by the Federal Government's program of economic reform, directed toward moving the country to a globally competitive economy. Initially general in scope, the program is now focused on microeconomic changes to help business become more competitive. The strategy has three principal premises: tariffs and other forms of protection must be reduced; industry must drop its preoccupation with protection and turn its attention to becoming more competitive; and improvements must come from both labor and management. On a trade-weighted basis, Australian duties on manufactured goods currently average 3 percent, with 94 percent of its industrial tariff lines WTO-bound.

All tariffs were reduced to 5 percent or below in 1996, except for textiles, clothing, and footwear (TCF), and certain automotive products. By 2000, apparel and certain finished textile tariffs will be reduced to 25 percent; footwear, sheeting and certain other fabrics to 15 percent.

The tariff rate on passenger motor vehicles and their original equipment components, currently 20 percent, will be reduced in stages to 15 percent by 2000. Tariffs on light commercial and four-wheel drive vehicles and components were reduced to 5 percent in 1996. Replacement components for passenger vehicles will remain at 15 percent from 1996 until 2000, with special provisions for automobile manufacturers. Automotive tariffs will be frozen from 2000 to 2004, when they will undergo further review. Under the terms of the government's export facilitation scheme, automobile manufacturers may also offset tariffs payable on the

importation of specified automotive products by exporting Australian-made automotive products.

The Tariff Concession Scheme (TCS) allows importers to claim tariff relief for goods imported into Australia for which there is no substitutable good produced domestically. The TCS waives any duties payable on imported business inputs and consumer goods, but requires that a minimum 3 percent concessional duty be paid.

## **2. Non-Tariff Barriers**

Although Australia became a signatory to the GATT Standards Code on March 1, 1992 (and has now acceded to the World Trade Organization (WTO) Agreement on Technical Barriers to Trade), it maintains some restrictive standards requirements and design rules that have an impact on the free flow of goods.

## **3. Import Taxes and Sales Taxes**

There is no retail sales tax in Australia. Instead, wholesale taxes are levied at either the manufacturer or wholesaler level by the Commonwealth Government and passed along to the consumer as part of the retail price. The Australian Government has introduced a Goods and Services Tax (GST) of 10 percent to replace the current wholesale sales tax. Legislation has been passed by Parliament and the new structure will be enacted on July 1, 2000.

Passengers with airline tickets can buy items at duty-free shops in major cities and airports, although sometimes the prices are better in other shops. It pays to compare. Customs information is available from the Australian Customs Service. (See appendix C.1.)

When introduced in July 2000, the GST will be levied at 10 percent of the value-added at each point in the production and distribution chain, for all goods and services including imports (with some exceptions, e.g., education, child care, health services, exports, and basic food).

Ultimately, however, the consumer will bear the full burden of the GST. In practice, producers will collect the 10 percent on the sale of goods and services produced, claiming tax credits for any GST levied on inputs to the production of these goods and services. The GST collected as part of the final sale price to the consumer is then remitted to the Australian Taxation Office (ATO).

In the meantime, the existing wholesale sales tax regime will remain in place. The tax is imposed on the sale of both domestically-manufactured and imported goods, and is generally imposed on the last wholesale sale. Manufacturers and wholesale merchants are required to register for sales tax. Importers of goods, which are not manufacturers or wholesalers, are not required to register but are liable for wholesale sales tax on the entry of goods into Australia.

The general rate of this wholesale sales tax is 22 percent of the sale value (broadly equal to the fair wholesale value) of the goods. There is a large number of exempt goods set out in a schedule to the Sales Tax (Exemptions and Classifications) Act. There are also categories of goods subject to tax at 12 percent (household goods) and 32 percent (luxury goods). Exporters should clarify with their agent, distributor, or representative the tax level to be imposed on their goods and take this into consideration in calculating product pricing.

Australia's anti-dumping legislation defines dumping as occurring when the FOB price at which goods are exported to Australia (the "export price") falls below the price at which the same goods are sold domestically in the country of export. When dumping is found to occur, dumping duties are imposed on the importer.

Further information on tariffs and anti-dumping regulation can be obtained from the Australian Customs Service, the Embassy of Australia, or the Anti-Dumping Authority (see Appendix E.4).

## **B. CUSTOMS VALUATION**

The Australian customs valuation system is based on self-assessment, i.e., the importer is responsible for valuing imports correctly. While Australian legislation conforms generally with the terms of the GATT/WTO Code on customs valuation, there are important differences. Imported goods are valued under one of nine different methods of valuation in a sequence established in the legislation. The first and most common is the transaction value method. There are alternative methods, e.g., where goods are exported to Australia on consignment.

The United States believes that the Australian Customs Act of 1901, as amended July 1, 1989, is inconsistent with the GATT Agreement on customs valuation because its treatment of royalties and buying commissions could lead to certain impermissible additions being made to the dutiable value of merchandise.



The amendment also increases the amount of inland freight that can be included in the dutiable value of the goods. While not inconsistent with the GATT/WTO Agreement on customs valuation, the amended Australian law may impair or nullify tariff concessions on products that are exported on an ex-factory basis. Customs and quota information is available from the Australian Customs Service (Appendix E.4).

### **C. IMPORT LICENSES**

Australia has phased out its import licensing requirements. The only commodities subject to import quotas are certain types of cheese and curd. These quotas were established in the mid-1980s in response to dumping by European producers and have a sunset clause of 2000.

### **D. EXPORT CONTROLS**

Australia exports over one million individual consignments each year, 40 percent of which are subject to some kind of restriction.

Controls are applied through permits issued by the Department of Defence and licenses issued by various Government agencies. Australia's controls on exports are documented in the publications "Australian Controls of the Export of Technology with Civil and Military Applications" and "Australian Control of Defence and Related Goods - a Guide for Exporters", available through the Acquisition and Logistics Branch of the Department of Defence (see Appendix E.4. for contact information).

Export Clearance Numbers are issued by the Customs Service, based on export data lodged by shippers. Consignments are checked by computer against required permits and licenses (97 percent of export consignments are entered electronically). Cargo may not leave Australian points of departure unless allocated an Export Clearance Number.

Australia was a member of COCOM until its conclusion and is a signatory to the Missile Technology Control Regime. Permits are issued for the export of military and dual-use goods and technology as formerly defined by COCOM, and in keeping with Australia's international agreements. Revised guidelines were issued in March 1994.

### **E. IMPORT/EXPORT DOCUMENTATION**

## **1. Imports**

Importers are responsible for obtaining Customs clearance for consignments of goods above set value limits. The minimum documentation required includes an air-way bill or bill of lading, invoices and any other papers relating to the shipment.

## **2. Exports**

Goods may not be exported until all necessary export permits, including an Export Clearance number, are obtained from the relevant permit issuing agency (See Section D., above).

## **F. TEMPORARY ENTRY**

Goods may be imported into Australia duty-free for a temporary period if they are for display purposes in a trade show certified by the Australian Customs Service. The ATA Carnet is a special international customs document accepted in 46 countries used for temporary imports/exports, particularly professional equipment and commercial samples. The Carnet, issued in lieu of the usual customs documents, eliminates value-added taxes, duties and temporary import bonds.

## **G. LABELING, MARKING REQUIREMENTS**

U.S. suppliers need to be aware of Australian legislation regulating the packaging, labeling, ingredients, marketing, and sale of specific products, and of general weights and measures. Legal import and sale of products packaged and labeled overseas may not be possible without modification. U.S. exporters should ask their Australian importer to ensure that products comply with Australian Federal and State Government labeling regulations.

## **H. PROHIBITED IMPORTS**

Australia has stringent prohibitions and/or quarantines imposed against a number of products, particularly those considered to be of potential public danger and agricultural products that are considered to have the potential to introduce contamination or disease. Restricted items include drugs, steroids, weapons/firearms, heritage items and cordless telephones and CB radios (unless they have been approved by the Department of Communications, Information Technology and the Arts), food, plants and animals, and protected wildlife. It is important to note that while some items may be imported, their use may be prohibited

under individual State laws. (Contact information for Australian Customs is found in Appendix E.4. Contact information for USDA and the Embassy's Agricultural Counselor is found in Appendix E. 1 and 10).

**Phytosanitary Restrictions affecting  
(Imports of Fresh Fruit and Vegetables)**

Australia has stringent sanitary and phytosanitary restrictions affecting imports of fresh fruit and vegetables and imports of meat and poultry products. Under Australia's new quarantine and inspection process, a result of the Nairn Review, imported agricultural commodities must have an import risk analysis (IRA) carried out to determine the commodities risk of introducing pests and diseases into Australia. An IRA, to determine how and if the risk can be managed, can take from one to two years to carry out. Australia's acceptable level of protection is very near zero risk, making access to the Australian market often difficult, expensive, and time-consuming.

All produce should have an Australian import permit and a U.S. phytosanitary certificate. The import permit can be requested from the Australian Department of Agriculture, Fisheries and Forestry (formerly DPIE) in Canberra, or from appropriate State Departments of Agriculture located in the State capitals. The permit may specify additional import requirements to those noted below. (See Appendix E. 4. and 10 for contact information.)

When applying for import permits, as much detail as possible should be provided as to where the product is grown and how it is processed, so that the appropriate advice on treatments, etcetera, be given without having to request additional information from the U.S. exporter. Products falling under the Fruit Fly Rule must be accompanied by a phytosanitary certificate, which should include whichever one of the following Additional Declarations is appropriate:

For State Freedom - "The fruit in this consignment was sourced and packed in (insert name of State) which is free of all economically significant fruit flies."

For County Freedom - "The fruit in this consignment was sourced and packed in (insert name of County(ies) which is an area free of all economically significant fruit flies." (This will allow for fruit to be sourced in one County and packed in the same or another County).

For Area Freedom Within an Infested County - "The fruit in this consignment was sourced and packed in (insert name of County(ies)) in an area located in excess of 80 kilometres from all fruit fly declared areas." (This will allow for fruit to be sourced outside of infested areas within a County and packed in the same or another County).

All meat and poultry products must be accompanied by an Australian Import Permit and appropriate USDA Animal Health Certificate and must originate from a plant approved for export to Australia.

U.S. poultry (fresh and frozen) cannot be imported due to sanitary restrictions. As of June 1999, and IRA is presently (6/99) being carried out. An IRA was carried out for cooked U.S. poultry, but the resulting cooking times and temperatures are excessively high and would render the product unpalatable. Restrictive plant health regulations prohibit or limit the entry of many fruits. The WTO has found Australia's prohibition on the importation of all fresh, chilled, and frozen salmon to be inconsistent with Australia's obligations under the WTO. Australia is carrying out an import risk analysis (IRA), due to be released in July 1999, addressing imported salmon.

The Australian Quarantine and Inspection Service (AQIS) has recently (6/99) added a detailed import conditions database to their web site at <http://www.aqis.gov.au/import/index.htm>. Also on this site are Australian labeling requirements for imported packaged food, requirements for animals and animal products, documents for public comment (including import risk analyses), fee schedules, on-line forms, SPS notifications, etc. It is updated daily.

## **I. STANDARDS (E.G. ISO 9000 USAGE)**

Australia is a signatory to the GATT/WTO Standards Code. Use of quality standards such as the ISO 9000 series is increasing. Standards Australia, the national standards body, has a Quality Assessment section attached to it and can provide a list of those companies adhering to the ISO 9000 series.

Australia still has in place some standards that can restrict product entry. In particular, the Australian standards for telecommunications Customer Premises Equipment (CPE), such as telephones, usually require a product's modification prior to market entry. Safety related automotive parts and accessories on

a vehicle or for environmental (EPA) compliance, must adhere to Australian Design Rules and Australian automotive standards. Certain medical equipment also must be approved prior to use; and the supply of OE (Original Equipment) automotive parts must adhere to Quality System QS9000, the system adopted in the U.S. by Ford, General Motors and Chrysler.

Australian electrical voltage is 220-240 Volts, 50 cycle, meaning electrical equipment and machines running on electrical cycles must be modified or made for use at this higher (than the U.S. and Europe) voltage level. Alternatively, for electrical equipment, transformers can be purchased; but this is not common.

Imported consumer products, mainly foodstuffs, should comply with state packaging regulations. States agree that any product, including imports, meeting the legal requirements of one state, may be sold in all other states and territories. State agricultural quarantines prohibit interstate trade of some items.

Standards Australia and the American National Standards Institute (ANSI) in New York have full information on Australian Standards.

## **J. FREE TRADE ZONES/WAREHOUSES**

The Darwin Trade Development Zone (TDZ) in Australia is located in Darwin, Northern Territory. The Darwin TDZ is concentrating on developing Australia's trading relationships with its Asian neighbors to the north and west. Since 1986, the TDZ has fostered close working relationships with other Industrial Estates and Export Processing Zones within Asia, particularly the Eastern States of Indonesia. Industries established include manufacturers of: knitted textiles; cardboard and packaging; color repro-graphics; computer software development; brewery supplying beer to Asia; fish emulsion and plant food; plastics extrusion injection blow molding; and engineering-based manufactures. The Zone also has access to the services of international financial consultants and customs agents, and other industries are scheduled to be established.

On December 8, 1997, the Commonwealth Government adopted Manufacturing-in-Bond (MIB), designating the BHP Steel River Facility in Newcastle as the first Australian site selected. The big difference - and advantage - over the existing Darwin FTZ structure, is that export manufacturers no longer are required to pay up-front customs, excise and sales tax outlays on imported componentry and materials. Goods only become subject to duties

and taxes if removed for sale or use in Australia.

While the Newcastle site is the first MIB established in Australia, it was never the intention to limit the benefits of MIB to one location. It is anticipated that over the next two years MIB operations will be licensed in several states. (See Appendix E.4.B for contact information).

#### **K. SPECIAL IMPORT PROVISIONS**

There are no special import provisions in Australia.

#### **L. MEMBERSHIP IN FREE TRADE ARRANGEMENTS**

Australia is a key member of the evolving Asia Pacific Economic Cooperation (APEC) forum.

The Australia New Zealand Closer Economic Relations Trade Agreement (ANZCERTA - usually abbreviated as CER) entered into force in January 1983. Bilateral trade in all products originating in the two countries is free of tariffs, quantitative restrictions, anti-dumping measures, and production subsidies and like measures. A 1988 protocol on trade in services provides for market liberalization, national and MFN treatment and free choice of commercial presence. The merger between Air New Zealand and Ansett and recent positive negotiations between the Australian and New Zealand governments looks set to create a unified aviation market in the near future.

### **CHAPTER VII. INVESTMENT CLIMATE**

#### **A. OPENNESS TO FOREIGN INVESTMENT**

##### **1. Encouraging Foreign Direct Investment Consistent with National Goals**

The Australian Government welcomes foreign investment and the United States is the country's largest source of foreign capital. Total U.S. investment in Australia, including both direct and portfolio investment, approaches US\$100 billion. Australia's policy, as first enunciated by former Treasurer John Dawkins in the introduction to a 1992 pamphlet entitled "Australia's Foreign Investment Policy, a Guide for Investors" is:

"to encourage foreign direct investment consistent with the needs of the Australian community, including the expansion of private investment, the development of internationally competitive and export-oriented industries and the creation of employment opportunities ... Administration of the policy is based on guidelines rather than inflexible rules; it is intended to be practical and non-discriminatory."

Takeovers of domestic firms by foreign investors, while occasionally generating nationalistic public reaction when a cultural icon is involved (as was the case with a biscuit company several years ago), generally are not interfered with. They are treated under the same guidelines as any other foreign investment.

## **2. Regulation in Some Sectors**

The Federal Treasury regulates foreign investment with the assistance of the Foreign Investment Review Board (FIRB). The Board screens investment proposals for conformity with Australian law and policy. (See Section I, below.) Regulation of foreign investment is based on the Foreign Acquisitions and Takeovers Act, 1975 (amended in 1989) and on 1991 regulations issued pursuant to the Act. Foreign investment in three sectors is severely limited:

**a. Media** The Broadcasting Services Act of 1992 provides that a foreign person may not exercise control of a television license, or have company interests in such a license exceeding 15 percent; and, two or more foreign persons may not have company interests in such a license exceeding 20 percent in the aggregate. Foreign investors are limited to a 20 percent share individually and a 35 percent share in the aggregate, of any subscription TV broadcaster. Foreign investment in mass circulation newspapers is limited. A single foreigner may hold a minor share of 25 percent and unrelated foreign interests may hold an additional 5 percent.

Both the cross-media and foreign ownership limitations have proven controversial, and are currently the subject of a government review. Some argue they are becoming obsolete as the distinctions between communications media blur with new developments in information technology.

**b. Civil Aviation** Effective with a policy decision in June 1999, foreign investors (including foreign airlines) may acquire up to 49 percent of the equity in an Australian international airline, 100 percent of a domestic carrier, or establish a new aviation business. Under existing bilateral aviation agreements, the

limiting 49 percent in any Australian international carrier is based on the commercial risk that such a carrier's ownership structure could see it denied access to a foreign market. In the case of Qantas, existing ownership restrictions were continued, which limit total foreign ownership of Qantas to 49 percent, ownership by foreign airlines in aggregate to 35 percent, and ownership by an individual (including a foreign carrier) to 25 percent.

**c. Urban Real Estate** The purchase of urban real estate by foreign interests is regulated closely. Prior to April 1, 1993, Australia sought to assure 50 percent equity participation by Australians in all such ventures. Where such participation was not available on reasonable terms and conditions, however, applications for up to 100 percent foreign ownership were considered. Effective that date, however, the 50 percent requirement for developed, non-residential, commercial real estate was abolished. All proposals by foreign investors to acquire developed residential real estate are now examined. They normally are not approved except in the cases of foreign companies buying residences for their senior executives living in Australia and foreign nationals temporarily resident in Australia for more than twelve months buying a principal residence for their own use, to be sold upon their departure.

### **3. Incentives for Investment**

Like the U.S., Australia provides no direct federal tax incentives for investment in the country. Those incentives which are available apply equally to foreign and domestic investors. Examples include:

- research and development tax concessions for companies incorporated in Australia;
- the discretionary grants scheme, which can cover up to 50 percent of research and development tax losses;
- the national procurement development program, which provides grants to underwrite the development of Australian products required by the public sector that have export potential;
- the generic technology scheme, and the advanced manufacturing technology development program, which provide development grants for selected new technologies; and
- the investment promotion program, which encourages investment in greenfield resource processing projects and links with global markets.



Each of the state governments has an aggressive investment promotion program and is willing to negotiate investment incentives on a case-by-case basis. They often offer concessionary packages to attract companies to establish themselves in their state.

#### **4. Preferential Tariff Arrangements with Some Countries**

Australia's maintains several preferential tariff agreements -- namely, with the Pacific Forum Islands, New Zealand, Malaysia and Canada - however, all of these arrangements have declined into irrelevancy as Australia's general level of tariff protection has fallen and its trade mix has changed. The Papua New Guinea - Australia Trade and Commercial Relations Agreement allows nearly all PNG exports to enter Australia free of duties and charges.

While the 1983 Closer Economic Relations (CER) agreement with New Zealand continues in force, it does not yet include a formal investment agreement.

Investors, both foreign and domestic, operating in export-oriented industries, can obtain duty-free import privileges on finished goods under certain conditions. This practice is most visible in the automobile industry. Several firms in Australia both manufacture and import vehicles for sale on the domestic market. All four major automotive manufacturers (Ford, GM Holden, Toyota and Mitsubishi) export finished vehicles and/or components. These companies receive, in accordance with the value of their exports, exemption from import duties on the equivalent value of finished vehicles they import for sale here. In effect, they can obtain duty-free import privileges not available to competitors without export capability. This import duty exemption is available to all auto importers on a non-discriminatory basis.

#### **5. Capital Markets and Portfolio Investment**

Australia has a well-developed and sophisticated financial market, regulated in accordance with international norms. The stock and commodities exchanges have corresponding arrangements with other world exchanges. Credit is allocated on market terms.

##### **B. CONVERSION AND TRANSFER POLICIES**

The Australian dollar is a fully convertible currency. The government does not maintain currency controls or limit remittance, loan and lease payments. Such payments are processed

through standard commercial channels, without governmental interference or delay.

### **C. EXPROPRIATION AND COMPENSATION**

Private property can be expropriated for public purposes in accordance with established principles of international law. Due process rights are established and respected, and prompt, adequate and effective compensation is paid.

### **D. DISPUTE SETTLEMENT**

#### **1. Investment Disputes**

Property and contractual rights are enforced through the Australian court system, which is based on English Common Law. There have been no investment disputes involving foreign companies in recent years. However, in 1994, the Foreign Investment Review Board (FIRB) exercised its authority to block a proposed investment involving a U.S. firm that wanted to expand its Australian health care operations. The FIRB based its decision on concerns regarding the firm's U.S. parent and legal difficulties it experienced in the U.S. The FIRB has a history of interpreting foreign investment regulations flexibly. For example, in 1991, it approved a foreign-led takeover of Australia's second largest newspaper group, John Fairfax Group Pty., even though post-takeover foreign ownership totalled 27 percent.

Australia is not a member of the International Center for the Settlement of Investment Disputes (ICSID).

#### **2. Commercial Disputes**

Australia has an established legal and court system for the conduct or supervision of litigation and arbitration, as well as alternate dispute processes. The traditional approach to commercial dispute resolution involves litigation and, more recently, arbitration. Modern methods of alternative dispute resolution, however, are becoming increasingly popular. Australia is a world leader in the development and provision of non-court dispute resolution mechanisms. It is a signatory to all the major international dispute resolution conventions and has organizations which provide international dispute resolution processes.

Dispute resolution clauses are used frequently in contracts between Australian and U.S. commercial entities. In some areas,

such as construction, clauses are inserted routinely into contracts. The clauses may specify the particular process to be used (e.g., mediation, followed by arbitration), or simply state that should a dispute emerge, the parties will seek the assistance of the American Arbitration Association and/or the Australian Commercial Disputes Centre. These clauses are upheld by the courts.

#### **E. POLITICAL VIOLENCE AFFECTING INVESTMENT**

As in all liberal democracies, political protests (e.g., rallies, demonstrations, marches, public conflicts between competing interests) form an integral part of Australian cultural life. Australian protests cover the broad range of current issues and interests: ethnic and aboriginal concerns, pro- and anti-right wing demonstrations, environmental issues and denunciations of government policies, to name a few. Such protests, while often vociferous, rarely (if ever) degenerate into violence.

#### **F. PERFORMANCE REQUIREMENTS AND INCENTIVES TO SUPPORT LOCAL INDUSTRY DEVELOPMENT**

##### **1. Selling to the Government**

There are no performance requirements affecting investment, per se. With the expiration of the Industrial Development Arrangements (IDAs) program in the telecommunications field, offsets are no longer required in the civil sector. The use of offsets in defense procurement has been phased-out in favor of a policy emphasizing "Australian Industrial Involvement" and "Through Life Support" concepts. (Also see Section IV. M.).

Australia has not yet signed the GATT/WTO Agreement on Government Procurement, which means that it is not bound by conditions prohibiting specification of locally-made product in tenders. The Australian Government continues to review its position in relation to signature.

##### **2. Bounties**

Bounties (production assistance) help domestic manufacturers maintain or increase their market share through price discounting.

The Australian Government has phased-out most bounties in recent years -- the only bounty remaining being for shipbuilding production. This bounty has had its expiry date extended to December 31, 2000, ostensibly to match the expiration deadlines of

similar schemes in other OECD nations.

### **3. Special Arrangements for Information Technology and Telecommunications Companies**

Since 1991, foreign information technology companies with annual sales to the GOA of US\$7-30 million (A\$10-40 million) have been asked to enter into fixed-term arrangements (FTAs), and those with sales greater than US\$30 million (A\$40 million) to enter into Partnerships for Development (PFDs). The FTA program was originally for overseas firms and had a minimum threshold of US\$7 million (A\$10 million). The minimum threshold has been removed, and Australian firms have been included since the introduction of the Endorsed Supplier Arrangement (ESA). The ESA has added a step in the procurement process, whereby, before access to government IT business will be considered, firms must undertake long-term value-adding in Australia and demonstrate a commitment to "world best practice". Other endorsement criteria relate to "world best practice" matters, such as reference sites, compliance with government policies, quality, standards, services, and financial viability. This may be an obstacle to new firms seeking to enter the market, as it can prevent firms from testing the market with imports prior to undertaking a more long-term commitment.

Under FTAs, a foreign company or its subsidiary, as with local companies, commits to undertake local industrial development activities worth 15 percent of its projected amount of government sales over a four-year period.

Under a PFD, the headquarters of the foreign firm agrees: to invest 5 percent of its annual local turnover on research and development in Australia; to export goods and services worth 50 percent of imports (for hardware companies) or 20 percent of turnover (for software companies); and to achieve 70 percent local content across all exports within the seven-year life of the PFD.

In 1992, this scheme was extended to the telecommunications customer premises equipment (CPE) sector, replacing, in large measure, the requirement that suppliers of cellular mobile telephones, PABX, small business systems, and first telephones have industrial development arrangements (IDAs) in place before obtaining licenses to connect their equipment to the public switched network.

### **4. Endorsed Supplier Arrangements**

Recent changes to Australian Government procurement policies have seen a significant decentralization of purchasing procedures. The former endorsement process and Common Use Arrangements have been replaced by a re-styled Endorsed Supplier Arrangement (ESA). Companies wishing to supply information technology (IT) products and major office machines (MOM) to the Australian Government must gain endorsement under the ESA. The industry development component of the new ESA requires evidence of product development, investment in capital equipment, skills development and service support, and sourcing services and product components, parts and/or input locally. In addition, applicants must demonstrate performance in either exports, research and development, development of strategic relationships with Australian or New Zealand suppliers/customers, or participation in a recognized industry development program.

## **5. Government Business Enterprises**

Since 1993, the Australian Government has required Government Business Enterprises (GBEs are central government-owned companies such as Telstra and the Civil Aviation Authority) to consider "industrial development objectives" such as local content and export potential in their procurement activities. The objective is to allow "local companies, the maximum opportunity to compete for government business consistent with the commercial objectives of GBEs and the need to obtain value for money".

## **6. Local Industry Development Impact**

After a recent review of its purchasing practices, the Australian Government announced its commitment to source at least 10 percent of its purchases from Australian small-to-medium sized enterprises. The Government will continue to require tenderers to include industry development objectives in tender documents, with model guidelines to be developed in consultation with industry.

## **7. Export Market Development Grants**

EMDG grants are provided to partially reimburse Australian residents who have incurred eligible expenditures while developing overseas markets for Australian products and services. Access to Export Market Development Grants is determined, in part, by the degree of local content contained in the product to be exported. To qualify, goods manufactured, produced, or assembled in Australia must contain at least 50 percent local content. Goods produced outside Australia must have at least 75 percent

Australian content.

#### **G. RIGHT TO PRIVATE OWNERSHIP AND ESTABLISHMENT**

As a general rule, foreign firms establishing themselves in Australia are accorded national treatment. They do not have to seek government permission to establish and own businesses unless their proposed activity meets tests established in law and regulation that trigger notification/review by the Foreign Investment Review Board (FIRB). These FIRB requirements are a matter of public record and are available upon application to FIRB. (See section I.1., below, for discussion of FIRB. See Appendix E.4. for contacts.)

Firms may, if they wish, seek "naturalization" (conversion to full Australian, as opposed to foreign, status). To be naturalized, a firm must be at least 51 percent Australian-owned; its articles of association must provide that a majority of its board be Australian citizens; and it must reach an agreement with the Government regarding the exercise of voting powers in respect of the firm's business in Australia. The only practical advantage of naturalization is relief from the requirement that the FIRB be notified of proposed investment activities.

In general, participation in privatization schemes is regulated in accordance with overall investment policy. The Qantas privatization, for example, was limited by the restrictions on foreign investment in civil aviation, discussed above. Most sectors are uncontrolled and are open to foreign participation.

#### **H. PROTECTION OF PROPERTY RIGHTS**

Patents, trademarks, designs, copyrights and integrated circuit layout rights are protected by Australian law. Australia is a member of the World Intellectual Property Organization, the Paris Convention for the Protection of Industrial Property, the Berne Convention for the Protection of Literary and Artistic Works, the Universal Copyright Convention, the Geneva Phonogram Convention, the Rome Convention for the Protection of Performers, Producers of Phonograms, and Broadcasting Organizations, and the Patent Cooperation Treaty.

IP Australia is the Federal Government agency responsible for registrations of patents, trademarks and designs. Contact details are: IP Australia, Tel: 61-2-6283-2000 or Fax: 61-2-6285 4149, attention: Director-General (Commissioner of Patents, Registrar of

Trade Marks, and Registrar of Designs).

## **1. Patents, Trade Secrets, Designs**

Patents are available for inventions in all fields of technology and are the principal system for protecting ownership of any device, substance, method or process which is new or inventive. They are protected by the Patents Act of 1990, which offers coverage for 20 years, subject to renewal. An application for patent in Australia provides international priority rights if applications follow in overseas jurisdictions within 12 months.

Trade secrets are protected by common law.

Design features, such as shape or pattern, can be protected from imitation by registration under the Designs Act of 1906 for up to 16 years. An important aspect of a design is that it must be applied industrially. Registration cannot be granted for a design which is purely artistic. An application for registration can only be made by the owner of the design.

## **2. Trade Marks**

Trade marks may be protected for ten years and renewed indefinitely, upon request by registration under the Trade Marks Act of 1995. Once used, trade marks may also, without registration, be protected by common law: however, registration with IP Australia does make enforcement easier. It is wise for any U.S. exporter intending to market a product in Australia to check with the Trade Marks Office at IP Australia to ensure that its mark or name is not already in use.

## **3. Copyrights**

Copyrights are protected under the Copyright Act of 1968. Works do not require registration, and copyrights automatically subsist in original literary, artistic, musical and dramatic works, film and sound recordings. Computer programs are considered in law to be literary works. Copyright protection is for the life of the author plus 50 years.

The Australian Copyright Act provides protection for public performances in hotels and clubs and against video piracy and unauthorized third-country imports. No complaints about unauthorized public showings of films have been received for over five years.

#### **4. Copyrights and Parallel Imports**

Parallel imports refers to imports of legally manufactured products by someone other than a person or firm having exclusive distribution rights in Australia. In general, books, films, computer software and other products subject to copyright cannot be imported without licence from the copyright owner, and their parallel importation is prohibited.

Legislation passed by the Australian Parliament in 1998, however, removed the copyright ban over parallel imports of packaging, labeling and accessories (allowing for the importation of branded goods without a license), to take effect in June 2000, and removed the copyright ban on parallel imports of sound recordings. Furthermore, goods that are the subject of a registered trademark can be imported without the permission of the trademark owner or the registered local distributor. However, copyright over the labeling and packaging prevent this practice from occurring. Goods which are the subject of a registered design can also be imported without the approval of the design holder; however, labeling and packaging copyrights again prevent this from occurring. At present, some parallel importation is allowed for books under strictly limited conditions (cases in which newly-published works are not made available in Australia within 30 days of publication).

#### **I. REGULATORY SYSTEM: LAWS, PROCEDURES AND TAXES**

Australia subscribes to the 1976 declaration of the Organization for Economic Cooperation and Development (OECD) concerning international investment and multinational enterprises. The instruments cover national treatment and investment incentives and disincentives, and spell-out voluntary guidelines for the conduct of multinational enterprises in member countries. Australia also subscribes to two OECD codes of liberalization, one covering capital movements and the other invisible transactions.

Both Australian law and government practice foster transparency and favor competition. Taxation policy does not impede the efficient mobilization and allocation of investment, although there are a number of differences between the U.S. and Australian tax systems that have potential implications for business. Businesses are advised to seek counsel from accounting and law firms familiar with the tax policies of both countries.



In early 1990, the Australian Taxation Office and the Internal Revenue Service formalized a simultaneous audits agreement to investigate suspected non-compliance with tax laws of both countries. The U.S. and Australia Double Taxation Treaty affects business investment between the two countries. The Treaty applies to federal income tax of the U.S., excluding accumulated earnings tax, personal holding company tax and Australian income tax. Separate agreements apply to gift and estate taxes. The Controlled Foreign Corporation and Controlled Foreign Trusts legislation, effective July 1, 1991, provides for taxing income that accrues to corporations or trusts arranged after residency is established.

#### **J. FOREIGN INVESTMENT REVIEW BOARD (FIRB)**

Australia has an investment screening mechanism administered by the FIRB which tracks foreign investment developments through a notification system, and, if certain criteria are present, examines specific proposals. The FIRB must be notified of investment proposals in the following categories:

- acquisitions of substantial interests in existing Australian businesses with total assets over A\$5 million (A\$3 million for rural properties);
- plans to establish new businesses involving a total investment of over A\$10 million or more;
- investments in the media, irrespective of size;
- direct investments by foreign governments or their agencies, irrespective of size;
- acquisitions of non-residential commercial real estate valued over A\$5 million;
- acquisitions of residential real estate, irrespective of size (unless exempt under the regulations);
- takeovers of offshore companies whose Australian subsidiaries are valued over A\$20 million or more, or account for more than 50 percent of the target company's global assets; and,
- proposals where any doubt exists as to whether they are notifiable.

Most foreign investment proposals notified to the FIRB are granted automatically without examination. Proposals above the A\$50 million threshold are examined, but FIRB policy is to approve them unless they are found contrary to the national interest. The criteria governing that decision are:

- the proposal involves one of the following sectors: rural properties; agriculture; forestry; fishing; resource processing; oil and gas; mining (excluding uranium); manufacturing; non-bank financial intermediaries; insurance; stockbroking; tourism (hotels and resorts); and most other services; and
- the proposal is an acquisition of 15 percent or more of a company or business with total assets below A\$50 million; or
- the proposal is to establish a new project or business with a total investment below A\$50 million, or to take over an off-shore company with Australian subsidiaries valued below A\$50 million.

The above policy does not apply to uranium mining, civil aviation, the media and urban real estate, all of which have separate limitations on foreign investment. Nor does it alter the notification requirements of the Foreign Acquisitions and Takeovers Act. During FY 1997-98, 4,765 proposals for investment in Australia were submitted to the FIRB: 4,261 were approved (2,567 with conditions); 390 were withdrawn; and only 114 were rejected (0.1 percent by value). The U.S. has objected to the continued utilization of the screening mechanism.

#### **K. BILATERAL INVESTMENT AGREEMENTS**

Australia subscribes to the 1976 declaration of the Organization for Economic Cooperation and Development (OECD) concerning international investment and multinational enterprises. The instruments cover national treatment and investment incentives and disincentives and spell-out voluntary guidelines for the conduct of multinational enterprises in member countries. Australia also subscribes to two OECD codes of liberalization, one covering capital movements and the other invisible transactions. It maintains a limited reservation under the Capital Movements Code, because FIRB practice historically favored the use of Australian contractors and consultants when reviewing foreign investment proposals.

Australia is bound by the Nara Treaty not to discriminate against Japan in the investment area. This has proved a sticking point in

bilateral negotiations on an investment agreement with New Zealand.

#### **L. OPIC AND OTHER INVESTMENT INSURANCE PROGRAMS**

Australia provides foreign investment insurance to its firms investing abroad through the Export Finance and Insurance Corporation (EFIC). The U.S. overseas Private Investment Corporation (OPIC) does not extend coverage to Australia, as it is not a high-risk or developing country.

#### **M. LABOR**

The prospects for low inflation and steady economic growth during the next few years have led to moderated wage demands. Consequently, most contract negotiations during 1999 and 2000 are likely to proceed relatively smoothly. This favorable economic climate has also led to a relatively calm industrial relations climate, in which few strikes are likely to occur outside of contract negotiation periods. The one sector that is continuing to experience wage increases well above average is information technology, which still faces shortages of skilled workers. Overall, wage increases are likely to average below four per cent per year. Executive salaries and IT salaries are continuing to increase at almost eight percent annually.

Historically, Australia's tradition of centralized contract bargaining created an industrial environment where both management and labor tended to resolve their conflicts by compulsory arbitration and to look to the government to regulate the conditions that are covered by enterprise contracts, as well as industry standard contracts (called "awards" because they were often negotiated by industry with the unions and then certified by the Australian Industrial Relations Commission, a government judicial/arbitration body). Under the centralized system of industrial "awards", all contracts for wages and working conditions in specific industries are based on a model contract negotiated between the relevant union(s) and a large firm or industrial association. Other firms in related sectors either copy or base their pay on whatever award seems to be a reasonable guideline for their type of business. Conflicts that arise in either the negotiation of contracts or in the workplace can be referred to the Australian Industrial Relations Commission, a quasi-judicial/arbitration organization.

Some firms consider the award system to be time-saving and a way

to avoid the cost and trouble of negotiating contracts at the enterprise level. In fact, approximately 35 percent of the workforce is covered by the award system. Other firms consider the award system to be too rigid and prefer enterprise agreements or contracts based on state laws. Some small firms and many farms operate without contracts. International firms or investors, however, seldom use contracts based on state laws and prefer to avoid the legal risks of operating without a contract. Basic wages and benefits are set by "awards" determined by federal and state Industrial Relations Commissions (IRCs), through complicated sets of criteria. Until 1991, there was usually one "national wage case" annually, which determined prevailing wage patterns. More recently, however, productivity measures at an individual enterprise level have taken root as the emerging norm. In April 1999, the Australian Industrial Relations Commission raised the national minimum wage to A\$385.40 per week. This approximates A\$10.13 per hour (around US\$6.50). This minimum applies to all contracts, not just to awards-based contracts.

The negotiation of contracts covering wages and working conditions is gradually shifting away from the centralized system. There are several choices, in addition to basing pay and working conditions on the award system. The first is an enterprise agreement, which is negotiated by individual companies with their workers as a group or with the relevant union(s). The second choice is individual contracts with individual workers. This choice has always existed but was redefined under the 1996 Workplace Relations Act, which went into effect on January 1, 1997. These agreements are subject to far less government regulation than the awards are, but are more complicated than most American contracts. In particular, Australian Workplace Agreements (as they are known) are required to be roughly equivalent to the basic working conditions in the award that would apply to the sector of the firm.

The working conditions and regulations, as outlined in the awards (many of which also apply to enterprise agreements and Australian workplace agreements), were simplified at the end of 1998. There are only 20 "allowable matters" that can be included in awards. On the one hand, this has substantially reduced the number of government regulations and red tape that employers face. At the same time, however, it requires that additional matters pertaining to working conditions and employee benefits be covered in the enterprise agreements and the Australian workplace agreements.

As a result of the awards simplification process, many firms with

operations in Australia have found that they require more legal services than was the case in the past. Most industry employer associations recommend that enterprise agreements and Australian workplace agreements contain specific provisions for arbitration by either the Australian Industrial Relations Commission or by other means. This will avoid potentially costly civil court damages claims from employees or groups of employees if disputes arise.

The leadership of the Australian Council of Trade Unions (ACTU) supports measures to increase productivity, but is adamantly opposed to a number of provisions in the Workplace Relations Act, which reduces their role in contract negotiations. The majority of the union leaders are willing to support workplace reforms that will enhance productivity and Australia-based firms' ability to compete internationally. Many see this type of change as essential to deal with Australia's persistently high unemployment rate. However, they remain concerned that issues such as overtime rates, health and safety, non-discrimination and other workplace conditions be addressed in enterprise agreements or Australian workplace agreements.

Albeit much reduced in size from a decade ago, Australia's union movement still exerts considerable influence over the marketplace.

Unions have organized 32 percent of the private sector workforce, but this average figure underestimates their pivotal influence in key sectors, such as mining (88 percent), transport (81 percent), construction, and manufacturing.

For foreign investors, developing a thorough understanding of labor conditions affecting specific business or manufacturing establishments is essential during the planning stages of a new venture. Enterprise agreements are attractive, since they allow investors more freedom to tailor their labor-relations environment to their specific concerns, rather than to a centrally-imposed template. They do cost more to negotiate and attention must be paid to legal details.

Australia's Liberal-National Coalition Government has made further industrial relations reform one of its highest priorities. In fact, its first significant new piece of legislation, introduced in May 1996, was "The Workplace Relations and Other Legislation Amendment Bill". It replaces the Industrial Relations Act of 1988. Key elements of interest to possible investors include:

- a streamlined "award" system, which sets minimum wages and

conditions;

- a new enterprise bargaining system, shifting still more responsibility for industrial relations to employer and employees at the enterprise level;
- curbs on union power, including abolition of closed shops and union demarcations. Although unions will be weakened, this provision risks creating a plethora of small and competing unions at an individual worksite, which would be a reversal of the strong trend in the opposite direction to reduce the number of competing unions;
- restrictions on strikes, including heavy fines for labor unrest during the life of an agreement (the norm in the U.S., but still a new concept in Australia), and tougher secondary-boycott provisions;
- a new unfair dismissal system, to further limit redress and compensation claims.

Overall, the new legislation promises to make it easier for employers to reach flexible enterprise agreements with their employees, whether unionized or not.

Elsewhere, the current government has indicated that it will retain the basic system of "superannuation" (a privately-run, defined-contribution retirement system), introduced by the previous Labor Government. This compulsory pension fund differs significantly from the U.S. Social Security system, since it is privately-run and firms and their employees choose which investment company or companies will administer their pension funds. Employers pay six percent (rising to nine percent by the year 2002), employees three percent, and the Federal Government three percent of the employee's base salary into their superannuation. There is an emerging trend for the negotiation of more generous superannuation plans, along with other benefits, as part of the overall compensation packages for executives.

#### **N. FREE TRADE ZONES (FTZ) AND FREE PORTS**

The Darwin Trade Development Zone, Northern Territory, is Australia's attempt to increase exports via a geographically-defined free trade zone. Incentive packages, individually tailored for each prospective company, include subsidies for many up-front property, plant, and equipment costs, as well as

relocation assistance. In practice, the Darwin initiative is focused almost exclusively on its Asian neighbors to the North and West.

On December 8, 1997, the Commonwealth Government adopted "Manufacturing-in-Bond" (MIB), designating the BHP Steel River Facility in Newcastle as the first Australian site selected. The big difference - and advantage - over the existing Darwin FTZ structure, is that export manufacturers are no longer are required to pay up-front customs, excise and sales tax outlays on imported componentry and materials. Goods only become subject to duties and taxes if removed for sale or use in Australia.

While the Newcastle site is the first MIB established in Australia, it was never the intention to limit the benefits of MIB to one location. It is anticipated that over the next two years, MIB operations will be licensed in several states. (See Appendix E.4.B for contact information).

#### **O. CAPITAL OUTFLOW POLICY**

Private foreign investment decisions are left to the discretion of private sector firms. There are no prohibitions on overseas investment or capital repatriation.

#### **P. MAJOR FOREIGN INVESTORS**

Hundreds of major foreign firms in many industry sectors invest in Australia. The Australian Federal Government, and each of the State Governments, vigorously encourages investment by offering incentives to multi-national companies to set up regional headquarters for financial and other services, and manufacturing operations. At first aimed at attracting information technology companies, the campaign has widened in scope to include manufacturing and provision of financial and administrative services for the Asia-Pacific region. The Government touts the benefits of Australia's safe, stable business environment, skilled workforce and lower facility, site and operating costs in comparison to other regional centers, such as Singapore, Hong Kong and Taiwan.

#### **Q. CORRUPTION**

Australia maintains a thorough system of laws and regulations designed to counter corruption. In addition, the government procurement system generally is transparent and well regulated,

thereby minimizing opportunities for corrupt dealings. Accordingly, corruption has not been a factor cited by U.S. businesses as a disincentive to investing in Australia, or to exporting goods and services here. Non-governmental organizations interested in monitoring the global development or anti-corruption measures, including Transparency International, operate freely in Australia.

Legislation to give effect to the anti-bribery convention stemming from the OECD 1996 Ministerial Commitment to Criminalize Transnational Bribery was passed in 1999. At the federal level, enforcement of anti-corruption laws and regulations is the responsibility of the Attorney General's Department.

## **CHAPTER VIII: TRADE AND PROJECT FINANCING**

### **A. BRIEF DESCRIPTION OF THE BANKING SYSTEM**

Until recently, the Reserve Bank of Australia (RBA) carried out the prudential regulation of Australia's banks, not unlike the Federal Reserve in the U.S. Changes brought about by the Wallis Inquiry into the Australian financial system establish the RBA's key roles as monetary policy, systemic stability and payments system regulation.

While the banking system in Australia is reliable and transparent, there are structural and operational differences between it and the American system. Historically, Australian banks have not operated under the restrictions that have limited U.S. bank operations since 1933. In Australia, the distinction between retail banks and investment banks is blurred.

The Australian banking system is undergoing progressive deregulation and privatization. Beginning with deregulation of the financial markets in the 1980s, foreign banks have been allowed to enter the market. Retail banks, in general, now provide a wider range of financial services, including life and general insurance, stock brokering and security underwriting to retail customers, in addition to making corporate and consumer loans. This places them in competition with brokerage houses and merchant banks.

In early 1992, the government further liberalized the banking system by abolishing limitations on the number of foreign bank



licenses. This permits non-Australian banks to operate as branches to serve the wholesale market. However, retail banking activities may be conducted only through a locally-incorporated subsidiary.

Governments, both state and federal, have, as part of an economy-wide trend of deregulation and privatization, divested themselves of their banking interests over the past few years. There are now no government-owned banks in Australia. The State Bank of New South Wales was sold in December 1994. The South Australian Government accepted an offer for the State Bank of South Australia (in 1995) from the Advance Bank, and the Western Australian Government floated BankWest in January 1996. The Federal Government completed its privatization of the Commonwealth Bank in 1996.

Australia has 46 authorized banking groups, 32 of which are foreign-owned. Of the latter, 16 are incorporated locally and 16 are branch operations. There are 7 American licensed banks: Bank of America (both as a locally-incorporated subsidiary and a branch operation); Bankers Trust; Chase Manhattan Bank; Citibank; First National Bank of Chicago (soon to become Banc One); Morgan Guaranty Trust Company of New York; and State Street Bank and Trust Company. Another 20 U.S. banks have local representative offices. The major Australian commercial banks are Westpac Banking Corporation, ANZ Bank, National Australia Bank, and the Commonwealth Bank of Australia. (See Appendix E.6.) There is momentum in the international banking sector to use Australia as a regional financial services center.

The recently completed Wallis Inquiry, the first analysis of the Australian financial system since the Cambell Committee in 1981, as seen the government endorse a number of Wallis recommendations, the most notable being:

- changes to the prudential regulation regime: the main feature being the establishment of the Australian Prudential Regulation Authority (APRA), which has the role of regulating the banks, life insurance offices, general insurers, superannuation (pension funds), building societies, credit unions and "friendly societies.
- creating the Payments System Board within the Reserve Bank, to supervise the opening of the payments system to non-banks, including companies outside the finance sector.
- removing prohibitions on life insurance offices taking over

banks, while stipulating that the "four pillars" (National Australia Bank, ANZ, Commonwealth Bank and Westpac) cannot merge. The Federal Treasurer, however, has openly stated that the government would not be adverse to a foreign takeover of one of the above mentioned banks.

- the role of the Australian Competition & Consumer Commission to carry out prices surveillance, monitor for restrictive trade practices and provide non-financial consumer protection.

## **B. FOREIGN EXCHANGE CONTROLS AFFECTING TRADE**

Australia does not restrict the flow of currency into or out of the country. There are, however, cash reporting obligations under the Cash Transaction Reports Act (CTRA). International currency transfers of A\$5,000 or more, or A\$50,000 in any form in one year, must be reported to the Cash Transaction Reports Agency. The purpose is to control tax evasion and money laundering and does not inhibit currency transfers associated with international trade.

The Australian dollar has been allowed to float since 1983. The currency is freely convertible, and exchange rates are determined by international demand and supply. Official policy is not to defend any particular exchange rate level. Intervention by the Reserve Bank is minimal and is exercised to accommodate government economic policy adjustments. Transactions in foreign exchange are made through authorized foreign exchange dealers, including trading banks and most merchant banks. There are no specific restrictions regarding the remittance of profits, dividends, or capital.

## **C. GENERAL FINANCING AVAILABILITY**

The major finance companies, which control about three-quarters of the total assets of the industry, are owned wholly or predominantly by the major trading banks. Commercial banks are the major source of medium-term loans. A wide range of merchant banks operate in Australia, many of which are associated with some of the world's largest financial institutions. They also provide short-to-medium term funding. Venture capital finance is usually available from management and investment companies, which are funded by tax-deductible capital subscriptions. Other alternatives include obtaining funds from finance companies (including leasing arrangements), building societies, credit cooperatives or unions, insurance companies, pension and

superannuation funds, and cash management trusts.

The larger finance companies obtain their funds mainly by public issues of debentures and unsecured notes, with terms of up to five years. Long-term financing, generally, is supplied by syndicated Australian and overseas bank lending. A specialized market exists for direct borrowing and lending on an unsecured basis between large, well-established companies. Factoring of book debts can be arranged with finance companies, but it is not widespread.

Unlike their U.S. counterparts, Australian banks are free to participate in virtually all forms of financial services, including overdrafts (a traditional form of borrowing), fixed-term loans, commercial bills of exchange, letters of credit, domestic and international debt and equity issues, underwriting, leasing and Eurocurrency borrowing. Increasingly, financial services to business are also provided through a wide range of non-bank institutions.

#### **D. HOW TO FINANCE EXPORTS AND METHODS OF PAYMENT**

As in other industrialized countries with mature financial systems, Australia has a range of export finance methods available. The method chosen should depend upon the individual circumstances of the transaction.

**1. Cash in Advance:** The exporter demands cash in advance before exporting. This is the least popular method used. It is acceptable if the client does not have access to other forms of financing.

**2. Letters of Credit:** Payment is guaranteed by the issuing bank. A confirmed letter of credit guarantees payment by a foreign bank, as well. This is a very secure form of payment and is used frequently for unknown clients, or those perceived to be risky accounts.

**3. Commercial Bills of Exchange (sight and time drafts; cash against documents):** These bills of exchange are processed through the exporter's and importer's banks. The banks do not guarantee payment, but they will not release shipping documents until the terms of the bill of exchange are met.

This is the most widely used form of trade finance, but the risk is higher, as the importer may refuse to pay. The exporter should obtain credit references, or have had a long-standing relationship

with the importer, before offering this form of financing. Importers prefer this method because it does not affect their cash flow or tie up their commercial credit lines.

**4. Open Account:** The exporter ships the goods and sends a bill for payment. These accounts are used widely, particularly with shipments to U.S. subsidiary operations in Australia. Because this is the least secure form of financing, it is also used for the very best and long-established accounts.

Eighty percent of Australian imports from the U.S. carry payment terms of 30 to 180 days from the date of the shipping documents. Importers normally request terms, the cost of which should be built into the export price. Importers prefer extended terms to allow them to receive, inventory and sell the goods before paying. They may also wish to use exporters' credit.

#### **E. TYPES OF AVAILABLE EXPORT FINANCING AND INSURANCE**

Several U.S. government agencies, as well as state and local bodies, offer programs to assist exporters with their financing needs. Some are guarantee programs that require the participation of an approved lender; others provide loans or grants to the exporter, or to a foreign government. Many financing and guarantee programs apply only to high-risk or developing countries. Therefore, business dealings with Australia do not qualify for coverage. However, some programs do extend to Australia. Exporters should seek counseling on availability.

The Export-Import Bank of the United States (Eximbank) is the federal government's trade finance agency, offering numerous programs to finance and facilitate U.S. exports by making loans and providing guarantees and insurance for loans from commercial sources. Although Australia does participate in Eximbank programs for some major projects, such as commercial aircraft sales, there is relatively little Eximbank activity in Australia.

Other organizations fill various market niches. The Private Export Funding Corporation (PEFCO) is owned by a group of large banks, and makes Eximbank-guaranteed loans to foreign purchasers of U.S. goods. The Department of Agriculture offers a variety of programs to foster agricultural exports. The Small Business Administration addresses the needs of small exporters.

Because Australia is an industrialized country and a donor nation to the multilateral development banks (MDBs), lending institutions

such as the World Bank and the Asian Development Bank do not operate here. Like other prosperous countries, Australia has a large pool of private funding available for debt financing of projects.

World Bank and Asian Development Bank support for development projects in the developing countries of Asia provides opportunities for American/Australian consortia to compete for MDB-funded contracts in these countries. Australian companies often have established relationships in the region and are in a strong position, when teamed with U.S. companies, to offer very competitive bids and performance qualifications. (See Appendix E.7 for MDB contact information.)

## **F. PROJECT FINANCING AVAILABLE**

A number of national and international financial management companies practice in Australia. They provide the complex financial structuring services required to fund projects, using the most competitive financial package available for a particular project. Long-term debt can be financed from a variety of sources and methods. These include:

- Banks
- Financial institutions
- Retail investors
- Government loans
- Export credit agencies
- Credit enhancement agencies
- Bonds
- Formation of national and international banking consortia
- BOOT (build, own, operate and transfer)
- Direct investment by local and international companies
- Formation of loan syndicates
- Formation of joint ventures

Project financing includes finance made available by non-participants (i.e., loan funds by financial institutions) and finance provided by participants (i.e., shares in a stock company), as well as a host of hybrid arrangements. U.S. companies participate actively in all types of project financing in Australia.

Traditionally, banks have provided project finance term debt and currently are the only source of project credit. While other sources might fund project loans, funding is undertaken only on

the basis of bank credit enhancement, through a bank guarantee or letter of credit. However, the development of new and innovative funding mechanisms is a key element in financing projects and infrastructure development, as public projects at the federal, state and local levels are made available for privatization.

#### **G. BANKS WITH CORRESPONDENT U.S. BANKING ARRANGEMENTS**

All major banks in Australia have correspondent relationships with U.S. banks. (See Appendix E.6).

### **CHAPTER IX: BUSINESS TRAVEL**

#### **A. BUSINESS TRAVEL**

American business travelers to Australia should not encounter any particular difficulties. Visitors should make preparations as they would when traveling in the U.S., using normal reservation services for travel and accommodation, plus taking into account the requirement to have either an electronic travel authority or a valid Australian visa.

Despite the old image of being a far and distant shore, travel time from the U.S. to Australia is comparable to that of other Asian destinations, a 14-hour non-stop flight from the West Coast, with a choice of flights on several reliable international airlines including United Airlines, Qantas and Air New Zealand. Most departures from the U.S. leave in the evening and arrive in Australia early in the morning (with a day lost at the International Date Line). Travel to or from the rest of Asia, Europe, South America and South Africa is also convenient. Around 30 international airlines fly into Australia every week, from 37 countries around the globe.

Frequent interstate flights connect the five major Australian cities. Savings are available on internal airfares, when purchased in conjunction with international tickets. Australia has a very extensive and efficient domestic transportation system including air, rail, coach, sea, chauffeured and rental cars, and urban public transport between cities and country areas.

Australia's many attractions as a tourist and holiday destination are finally becoming well-known, and the country is experiencing a tourism boom that surpasses that of almost any other western

country. In the past ten years, tourism has become one of Australia's largest export earners, with the number of international visitors increasing from 1.4 million in 1986 to 3.7 million in 1995 and 4.2 million in 1998. The Australian Tourist Commission, Australia's national tourist office, has a presence in Los Angeles (see Appendix E, Section 4A). The Commission can assist with travel advice and information on where to go and what to see.

Australia is a desired international destination for conventions, corporate meetings, and corporate incentive travel. Its convention centers and trade show facilities in capital cities and resort areas offer state-of-the-art technology, some accommodating as many as 10,000 delegates. Many executives and conference delegates extend their stays in Australia with a holiday.

## **B. BUSINESS CUSTOMS**

Doing business in Australia is comfortable for American companies because the language, cultural environment, business practices and customer expectations are very similar. Business etiquette is familiar to Americans, with attention paid to advance planning, promptness, punctuality, and follow through.

Australians are personally gracious, yet informal and direct in their business dealings. Very soon after meeting, Australians do business on a first name basis. Business cards are exchanged for information purposes, but without any special ceremony. Token gift exchange is not common. Luncheon meetings are common, but Australians do not typically schedule business functions during the evening or on weekends, which are dedicated to family and friends. Normal business attire is worn in the cities, with country areas being more informal.

## **C. TRAVEL ADVISORY AND VISAS**

### **1. Time Zones**

Australia's three time zones, Eastern, Central and Western, are parallel to those in Asia. Eastern Time (Sydney, Melbourne, Canberra, Brisbane, and Cairns) is one hour ahead of Tokyo. The reversal of the seasons (and hence of daylight saving time in the Northern and Southern Hemispheres) complicates the time zone calculation. Not all Australian states have daylight saving. Between the months of April and October, when it is 8:00 am in New York and 11:00 am in Los Angeles, it is 10:00 pm in Sydney and

8:00 pm in Perth. From November to March, at 8:00 am in New York it is 12:00 pm in Sydney and 9:00 pm in Perth.

## **2. International Air Travel Times**

Los Angeles to Sydney - 14 hrs, 20 mins  
New York to Sydney (via Los Angeles)- 21 hrs, 30 mins  
(via Japan) 25 hrs, 20 mins  
Honolulu to Sydney - 9 hrs, 55 mins  
Tokyo to Sydney - 9 hrs, 20 mins  
Hong Kong to Sydney - 9 hrs  
Singapore to Sydney - 7 hrs, 50 mins

## **3. Air Travel Times Within Australia**

Sydney to Melbourne - 1 hr, 10 mins  
Sydney to Brisbane - 1 hr, 25 mins  
Sydney to Perth - 4 hrs, 10 mins  
Sydney to Canberra - 35 mins  
Melbourne to Brisbane - 2 hrs  
Melbourne to Perth - 4 hrs  
Brisbane to Perth - 6 hrs, 20 mins

## **4. Visas**

A valid U.S. passport and either a visa or an electronic travel authority are required for Americans traveling to Australia for business and/or tourism. The electronic travel authority is obtained from approved U.S. travel agents and airlines when purchasing an airline ticket. The Australian Embassy has lists of approved travel agents. U.S. citizens traveling to Australia should note that the electronic travel authority can only be obtained in the U.S.

Requirements for work and resident visas are more stringent. The nearest Australian visa office should be contacted well in advance. Visas are issued by Australian Embassies and Consulates.

(The addresses of Australian Government offices in the U.S. are listed in Appendix E.4A.)

## **D. HOLIDAYS**

Australians tend to take their long annual holiday in December and January, combining Christmas/New Year celebrations with the long summer school holidays. Consequently, business slows down and it is usually difficult to make appointments. Business travelers



should be sure that their contacts will be available during this period before scheduling trips.

Listed below are the national public holidays observed in Australia. Some dates may vary from state to state, and individual states have their own additional public holidays. For example, all states have a public holiday for the Queen's Birthday, but the date varies.

New Year's Day	January 3
Australia Day	January 26
Good Friday	April 21
Easter Monday	April 24
Anzac Day	April 25
Christmas Day	December 25
Boxing Day	December 26

## **E. BUSINESS INFRASTRUCTURE**

### **1. Business Hours and Banking**

Office business hours generally are 9:00 am-5:00 pm, Monday through Friday. Retail shops increasingly keep longer business hours, and all city centers have evening shopping at least one day per week, along with Saturday and (in some areas) Sunday also. However, Australia has not yet gone to the 7-day/24-hour shopping mode characteristic of most of the U.S. Banks are open to the public from 9:00 a.m. to 4:00 p.m. (some later) Monday through Friday, with 7-day/24-hour ATM service. Restaurants and convenience stores are open for extended hours.

### **2. Currency**

Australia's unit of currency, the Australian dollar (A\$), is freely traded. The conversion rate is variable. In 1997, the average rate was A\$1 to US\$0.74; in 1998 it was A\$1 to US\$0.63; and in 1999 A\$1 to US\$0.66. Travelers checks are accepted widely.

Currency can be exchanged easily at international airports and most major banks, and ATM machines are everywhere. There are no major restrictions on importing or exporting currency or travelers checks to/from Australia, although a customs declaration is filed when taking out large amounts of cash.

### **3. Credit Cards/ATMS**

Most international credit cards are accepted in Australia and, as

in the U.S., can be used for purchases of goods and services and to confirm hotel and other travel arrangements. ATM machines have most international cash access systems available so that travelers can withdraw cash directly from their U.S. accounts.

#### **4.   Telephones and Facsimiles**

Australia's telecommunications infrastructure is excellent; national and international prices continue to decline as competition increases. Services to businesses include Internet access, ISDN, Frame Relay, E-mail, voice messaging, and faxes. A number of companies provide call-back services by leasing excess capacity lines from the telecommunications operators, then offering national or international calls. These days the competition is so intense that standard international carrier costs are so low that call-back services are no longer as attractive as they once were. The use of phone cards is common, and most major international phone cards can be used. Phone cards are available locally from numerous retail outlets.

For international travelers wanting to use a mobile phone, it is easy to rent one in Australia. Australia is a user of GSM services with three major registered providers being Telstra, Optus and Vodafone. Business visitors from the U.S. can continue to use Analog AMPS mobile phones in Australia, although this system will cease functioning on 1 January 2000.

Internet access is becoming widely available at airports and Internet Café's. Where necessary, facsimile services are also available for public use in post offices, hotels, and some copy shops.

#### **5.   Postal and Courier Services**

Australia Post supplies modern and efficient postal services within Australia and overseas. Express delivery and insured service is available. Domestic and international faxes can be sent from post offices. Several international courier services operate from major cities, offering express worldwide delivery of documents and packages.

#### **6.   Hotels and Business Services**

The business traveler to Australia can choose from a full range of hotels, from budget to international standard. Bookings for major chains can be made before leaving the U.S. Accommodations range from rooms to elaborate suites. Serviced apartment/hotels, with

kitchens and living rooms, are available. Most large hotels offer a full range of business and communications services including E-mail, fax, word processing and copying. Temporary worker-serviced office suites are available for short-term rental.

## **7. Rental Cars and Local Transportation**

As in Britain and most of Asia, Australians drive on the left side of the road. Major U.S. and Australian car rental agencies operate throughout the country. Reservations can be made through airports, hotels, travel agents or directly, using a credit card and a U.S. or international driver's license. Throughout the urban areas, public transportation is well-developed and safe. Urban crime is not a common fear. Comfortable and convenient bus, rail, and air services are available between cities and country towns.

## **8. Electrical Power**

Voltage in Australia is 220-240V, 50 cycles. Three-pronged conversion plugs are available widely in retail stores. Voltage transformers, to convert American 110V appliances are available, but not found so easily. Dual-voltage devices are more practical.

## **9. Taxes and Customs Duties**

Currently, there is no retail sales tax in Australia. Instead, wholesale taxes are levied at either the manufacturer or wholesaler level by the Commonwealth Government, passed along to the consumer as part of the retail price.

The Australian Government will soon introduce a General Services Tax (GST) of 10% to replace the wholesale taxes. Legislation has passed Parliament and will be enacted as of July 1, 2000.

Passengers with airline tickets can buy items at duty-free shops in major cities and airports, although sometimes the prices are better in other shops. It pays to compare. Customs information is available from the Australian Customs Service. (See appendix C.1.)

## **10. Health**

Australia is a healthy country, with no notable problems. Public water is safe everywhere. There are active campaigns to get people to protect themselves from the sun, skin cancer, and AIDS,

and visitors should pay them heed. Medical and dental services, and all types of health facilities, are comparable with those in the U.S. Visitors needing medical attention can receive it easily, but may be required to pay for services immediately, by cash or credit card. Therefore, visitors should have their own health insurance arrangements in the U.S. from which to seek reimbursement.

## **11. Food and Drink**

Australia's reputation as a world gourmet destination is growing, as understanding spreads of Australia's abundance of fresh, pure, and prime quality fruits, vegetables, meats, seafood, dairy products, specialty cheeses and fine wines. Australia's cultural diversity provides a broad choice of cuisine, and modern Australian chefs are reaching new heights of creativity. The coastal cities are renowned for fresh seafood, and the traditional Australian barbecue is a way of life. Australia is winning international wine awards and its wine industry export earnings are growing exponentially. Of course, the Aussies' traditional dedication to their beer is legendary.

## **12. Cultural Opportunities**

Australia's vibrant, multicultural society offers cultural events to suit every preference. In major cities opera, ballet, and theater companies have full seasons. There is a myriad of art exhibitions, classical, rock, and country and western music festivals and concerts. Books and movies are current releases. Country areas hold folk, historic and food and wine festivals. Ethnic groups stage their own celebrations. Sports of all types are a national obsession - whether as a participant, or a spectator. After sampling some of these attractions, many business visitors decide they want to spend their next holiday in Australia.

U.S. business travelers are encouraged to obtain a copy of the "Key Officers of Foreign Service Posts: Guide for Business Representatives", available for sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402; Tel: (202) 512-1800; Fax: (202) 512-2250. Business travelers to Australia seeking appointments with U.S. Embassy/Consulate officials in Australia should contact the Commercial Service, Sydney, in advance. The Commercial Service can be reached by telephone at 61-2-9373-9205; fax at 61-2-9221-0573; or E-mail: sydney.office.box@mail.doc.gov.

## CHAPTER X: ECONOMIC AND TRADE STATISTICS

### APPENDIX A: AUSTRALIA COUNTRY DATA

1. Population 18.9 million
2. Population Growth Rate 1.35 percent
3. Religions  
Anglican-22 percent  
Roman Catholic-27 percent  
Other Christian-22 percent  
Other Non-Christian-4 percent  
None/Not specified-26 percent
4. Government System A Democratic Federal and State  
parliamentary system, recognizing  
the British Monarch as Sovereign of  
Australia.
5. Languages  
English is the official language,  
with modern Australian English a  
conglomerate of British and  
American, using its own phraseology  
and spelling. Australia is one of  
the most multicultural nations in  
the world, and it is possible to  
find vibrant ethnic communities  
using almost every other world  
language. Australian school  
children have the highest rate of  
learning Asian languages,  
particularly Japanese and Chinese,  
of any industrialized western  
nation.
6. Work Week  
The normal business work week is  
Monday-Friday, 38 hours, usually  
ranging between 8 a.m. - 6 p.m.,  
with an hour or so for lunch. Most  
shops close by 6 p.m. most days, but  
keep some evening, Saturday and,  
increasingly, Sunday hours.

Source: Australian Bureau of Statistics

## APPENDIX B: AUSTRALIAN DOMESTIC ECONOMY STATISTICS

(All figures in millions of U.S. Dollars\*)

Calendar Year	1998	1999 (e)	2000 (p)
1. Gross Domestic Product (GDP) (89-90 prices)	359,000	387,000	427,500
2. GDP growth rate (%)**	4.7	3.0	4.0
3. GDP per capita	19,000	21,000	22,500
4. Government spending (% of GDP)	24	24	21
5. Inflation (%)	1.6	2.5	2.5
6. Unemployment (%)	8.0	7.5	7.0
7. Foreign Exchange Reserves (Year end)	16,000	18,000	20,000
8. Avg. Exchange rate (US\$=1.00)	1.59	1.51	1.42
9. Net Foreign Debt (Year End)	146,000	150,000	170,000
10. Debt Service Ratio (%)	9.6	9.5	9.4
11. U.S. Economic/Military Assistance	NA	NA	NA

Sources: Australian Bureau of Statistics, Federal Budget Statement 1997-98, and the Reserve Bank of Australia.

\* Exchange rate fluctuations must be considered when analyzing data

\*\* Percent changes are calculated using Australian dollars

(e) estimate

(p) projection

Exchange rates:

CY 1997: A\$1.00 EQUALS US\$0.737

CY 1998: A\$1.00 EQUALS US\$0.628

CY 1999: A\$1.00 EQUALS US\$0.660

CY 2000: A\$1.00 EQUALS US\$0.700

## APPENDIX C: GOODS AND SERVICES TRADE STATISTICS

(All figures in millions of U.S. dollars\*)

Calendar Year	1998	1999 (e)	2000 (p)
---------------	------	-------------	-------------

**Goods and Services**

1. Total Australian Exports	72,500	79,000	87,200
2. Total Australian Imports	78,500	85,500	94,400

### **Merchandise Goods**

3. Exports of Merchandise Goods (a)			
1) Total (to World)	56,100	61,100	67,400
2) To the U.S.	5,300	5,800	6,400
4. Imports of Merchandise Goods (a)			
1) Total (from World)	61,000	66,500	73,300
2) From the U.S.	13,600	14,800	16,400
5. U.S. Share of Merchandise Imports (%)	22	22	22

### **Manufactured Goods**

6. Imports of Manufactured Goods (b)			
Total (from World)	52,300	57,000	62,900
From the U.S.	12,200	13,300	14,700
7. U.S. Share of Manufactured Imports (%)	23	23	23

### **Agricultural Goods**

8. Imports of Agricultural Goods			
Total (from World)	3,600	3,900	4,400
From the U.S.	500	550	600
U.S. Share of Agr.Imports (%)	14	14	14

### **Principal Items of U.S.-Australia Trade**

9. Principal U.S. Exports to Australia (FY 1997-98)		
(1) Computers		750
(2) Aircraft and Associated Equipment		720
(3) Computers and Office Machinery Parts	565	
(4) Measuring and Checking Equipment		480
(5) Telecommunications		400
10. Principal U.S. Imports from Australia FY 1997-98		
(1) Bovine Meat		417
(2) Crude Petroleum and Oils		349
(3) Computers and Office Machinery Parts	228	
(4) Aircraft and Parts		220
(5) Passenger Motor Vehicles		155

11. Principal Australian Agricultural Exports to the U.S.

(1998)

(1) Red Meats	360
(2) Wine and Beer	95
(3) Raw Beet and Cane Sugar	40
(4) Lobster	26
(5) Live Animals	12

12. Principal Australian Agricultural Imports from the U.S.  
(1998)

(1) Snack Foods	24
(2) Processed Fruit and Vegetables	22
(3) Soybean meal	18
(4) Tobacco	10
(5) Salmon, canned	10

Source: Australian Bureau of Statistics, Australian Department of Foreign Affairs and Trade, and U.S. Department of Agriculture.

Exchange rates:

CY 1997: A\$1.00 EQUALS US\$0.737

CY 1998: A\$1.00 EQUALS US\$0.628

CY 1999: A\$1.00 EQUALS US\$0.660

CY 2000: A\$1.00 EQUALS US\$0.700

Footnotes:

\* Exchange rate fluctuations must be considered when analyzing data

\*\* Percent changes are calculated using Australian dollars

(a) Data on total bilateral trade with the U.S. is not available due to lags in data on services trade

(b) Manufactured goods include: chemical and related products; manufactured goods classified by material; machinery and transport equipment; and miscellaneous manufactured articles.

(e) estimate

(p) projection

**APPENDIX D: FOREIGN INVESTMENT STATISTICS**

**TABLE 1: FOREIGN DIRECT INVESTMENT IN AUSTRALIA**

(All figures in billions of U.S. Dollars(a))

Foreign Investment Flows

Direct Investment



Fiscal Year	-----			Total Foreign
	Equity	Other	Total	Investment
1993-94	3.7	-0.3	3.4	18.8
1994-95	5.5	0.1	5.6	17.9
1995-96	9.5	0.4	9.9	31.2
1996-97	8.7	-0.2	8.6	27.6
1997-98	6.9	-0.9	6.0	22.0

Source: Foreign Investment Review Board Report 1997-98, Table 3.1

Exchange rates:

FY 1994-95: A\$1.00 EQUALS US\$0.741

FY 1995-96: A\$1.00 EQUALS US\$0.763

FY 1996-97: A\$1.00 EQUALS US\$0.781

FY 1997-98: A\$1.00 EQUALS US\$0.678

**TABLE 2: STOCK OF FOREIGN DIRECT INVESTMENT IN AUSTRALIA, BY  
SELECTED COUNTRIES**

(FY 1995-96 to FY 1997-98)

(All figures in millions of U.S. Dollars (a))

	1995-96	1996-97	1997-98
U.S.A			
- Direct	26,700	31,600	30,900
- Portfolio	50,500	56,900	55,200
- Other	4,200	7,600	7,600
- Total	81,400	100,100	98,800
U.K.			
- Direct	26,100	29,300	24,300
- Portfolio	38,900	72,100	68,600
- Other	-	4,000	6,100
- Total	65,000	105,400	99,000
Japan			
- Direct	12,400	12,500	10,200
- Portfolio	32,100	21,100	17,800
- Other	-	11,600	10,500
- Total	44,500	45,200	38,500

Source: ABS 5363.0, Balance of Payments And International Investment Position, 1997-98, Table 53

Exchange rates:

FY 1994-95: A\$1.00 EQUALS US\$0.741

FY 1995-96: A\$1.00 EQUALS US\$0.763

FY 1996-97: A\$1.00 EQUALS US\$0.781

FY 1997-98: A\$1.00 EQUALS US\$0.678

**TABLE 3: STOCK OF FOREIGN INVESTMENT IN AUSTRALIA, BY INDUSTRY**  
(FY 1995-96 TO FY 1997-98)  
(All figures in millions of U.S. \$ (a))

Industry sector	1995-96	1996-97	1997-98
Mining	33,533	33,435	32,162
Manufacturing	64,985	69,416	64,848
Wholesale & Retail Trade	23,169	24,804	20,499
Finance, Property & Business Services	142,436	170,834	178,531
Other	91,450	110,818	98,284
Total	355,573	409,306	394,325

Source: ABS 5363, Table 32

Exchange rates:

FY 1994-95: A\$1.00 EQUALS US\$0.741

FY 1995-96: A\$1.00 EQUALS US\$0.763

FY 1996-97: A\$1.00 EQUALS US\$0.781

FY 1997-98: A\$1.00 EQUALS US\$0.678

**TABLE 4: TOTAL EXPECTED INVESTMENT ASSOCIATED WITH PROPOSALS  
APPROVED BY THE FIRB \*, BY COUNTRY OF INVESTOR AND INDUSTRY SECTOR**  
(FY 1997-98)  
(All figures in millions of U.S. Dollars (a))

	Total	USA	UK	Malaysia
Industry Sector				
Agr, Forestry & Fishing	257	107	16	3
Finance	3,269	1,345	984	96
Manufacturing	15,899	8,832	1,940	98
Mineral Exploration & Development	5,830	1,827	467	224
Real Estate	11,013	1,428	314	2,542
Resource Processing	1,966	1,719	23	224
Services	13,215	8,347	1,747	79
Tourism	2,438	1,020	168	240
Total	53,887	24,625	5,658	3,507
No. of Proposals	4,724	524	766	209

	S.Africa	Canada	France	Japan
Industry Sector				
Agr, Forestry & Fishing	-	- 3	-	
Finance	75	129	17	41
Manufacturing	201	1,361	133	864
Mineral Exploration	1,448	363	-	289
Real Estate & Development	70	19	790	166
Resource Processing	-	39	-	-
Services	1,558	-	310	151
Tourism	3	1,911	434	-
Total	3,356	1,512	1,688	1,512
No. of Proposals	209	189	86	189

\* FIRB - Foreign Investment Review Board

Source: FIRB Annual Report, 1997-98  
(Totals may not add, due to rounding)

Exchange rates:

FY 1994-95: A\$1.00 EQUALS US\$0.741

FY 1995-96: A\$1.00 EQUALS US\$0.763

FY 1996-97: A\$1.00 EQUALS US\$0.781

FY 1997-98: A\$1.00 EQUALS US\$0.678

**TABLE 5: AUSTRALIAN LEVEL OF DIRECT INVESTMENT ABROAD**

(FY 1995-96 to FY 1997-98)

(All figures in millions of U.S. dollars)

Destination	1995-96	1996-97	1997-98
Canada	1,173	1,660	1,640
France	1,612	1,678	2,573
Germany	2,232	2,365	3,628
Hong Kong	5,705	6,397	6,776
Japan	9,191	13,809	7,471
Malaysia	2,257	1,094	615
Netherlands	1,851	2,489	2,349
New Zealand	9,168	9,017	8,673
Papua New Guinea	1,582	1,628	1,569
Singapore	3,777	2,766	2,505
U.K.	23,433	27,848	27,719
U.S.A.	36,293	50,551	57,084
Other	38,377	42,106	46,238
Total	136,651	163,409	168,840

Source: ABS 5363.0, Table 46

Footnotes:

- (a) Exchange rate fluctuations must be considered when analyzing data

Exchange rates:

FY 1994-95: A\$1.00 EQUALS US\$0.741  
FY 1995-96: A\$1.00 EQUALS US\$0.763  
FY 1996-97: A\$1.00 EQUALS US\$0.781  
FY 1997-98: A\$1.00 EQUALS US\$0.678

**CHAPTER XI: U.S. AND COUNTRY CONTACTS**

**APPENDIX E: KEY CONTACTS IN THE U.S. AND AUSTRALIA**

**Contents at a Glance:**

- 1. U.S. GOVERNMENT ORGANIZATIONS IN AUSTRALIA**
  - A. U.S. Embassy
  - B. Commercial Service
  - C. Washington-based USG Contacts Dealing with Australia
- 2. AMCHAM AND BILATERAL BUSINESS COUNCILS**
  - A. The American Chamber of Commerce in Australia

- B. Australian-American Chambers of Commerce
- C. Australian Chambers of Commerce

**3. LEADING TRADE OR INDUSTRY ASSOCIATIONS**

**4. AUSTRALIAN GOVERNMENT AGENCIES**

- A. In the U.S.
- B. Federal Government Agencies
- C. State Economic Development Agencies

**5. SOURCES OF MARKET RESEARCH AND BUSINESS FACILITATION SERVICES**

**6. COMMERCIAL BANKS**

- A. Australian Banks
- B. American Banks

**7. AUSTRALIAN PUBLICATIONS AND DATABASES**

- A. Newspapers
- B. Periodicals
- C. Leading Business Directories

**1. U.S. GOVERNMENT ORGANIZATIONS**

**A. EMBASSY OF THE UNITED STATES OF AMERICA**

Moonah Place  
Canberra ACT 2600  
Tel: 61 2 6214 5600  
Fax: 61 2 6214 5970

For mail from the U.S.:  
American Embassy Canberra  
PSC 277  
APO AP 96549

The U.S. Embassy, with its subsidiary Consulates General, is responsible for all of the functions of the U.S. diplomatic mission to Australia. The Ambassador is the senior U.S. government official in Australia. Embassy Officers with primary responsibility for trade policy, trade issues, and trade promotion programs include:

\* Commercial Counselor (Senior U.S. Commercial

Service Officer for Australia, who is located at the U.S. Consulate General in Sydney - send inquiries to address below, not to Embassy)

- \* Economics Counselor
- \* Agricultural Counselor
- \* Labor Attache
- \* Defense Attache
- \* Animal and Plant Health Inspection Service (APHIS) Attache

## **B. COMMERCIAL SERVICE OFFICES IN AUSTRALIA**

The Foreign Commercial Service of the U.S. Department of Commerce has offices at the American Consulates General in Sydney, Melbourne, and Perth. Offices in Sydney and Melbourne are staffed by American Commercial Service Officers, who are part of the Diplomatic Mission to Australia. They manage all aspects of the trade promotion program, with an Australian staff of trade professionals.

The Foreign Commercial Service in Australia works with the U.S. Department of Commerce's Export Assistance Centers throughout the United States to provide a full range of export facilitation services to U.S. business. The first point of inquiry for an American company needing Commercial Service assistance is its nearest USDOC Export Assistance Centers in the United States.

### **For general questions concerning trade policies or issues, or industry-specific inquiries:**

Senior Commercial Officer for Australia  
Commercial Service  
U.S. Consulate General  
Level 59, MLC Centre,  
19-29 Martin Place  
Sydney NSW 2000  
Tel: 61 2 9373 9200;  
Fax: 61 2 9221 0573

### **For inquiries concerning New South Wales and Queensland:**

Principal Commercial Officer  
Commercial Service

U.S. Consulate General  
Level 59, MLC Centre,  
19-29 Martin Place  
Sydney NSW 2000  
Tel: 61 2 9373 9200  
Fax: 61 2 9221 0573

**For mail from the U.S.:**

Principal Commercial Officer  
Commercial Service  
U.S. Consulate General, Sydney  
PSC 280, Unit 11024  
APO AP 96554-0002

**For information regarding CS programs and services and  
general inquiries concerning Queensland:**

General Manager  
American Chamber of Commerce  
Level 9, 444 Queen Street  
Brisbane QLD 4000  
Tel: 61 7 3221 8542  
Fax: 61 7 3221 6313

**For inquiries concerning Victoria, South Australia,  
Tasmania and the Northern Territory:**

Principal Commercial Officer  
Commercial Service  
U.S. Consulate General  
553 St. Kilda Road, 6th Floor  
Melbourne VIC 3004  
Tel: 61 3 9526 5925  
Fax: 61 3 9510 4660

**For mail from the U.S.:**

Principal Commercial Officer  
Commercial Service  
U.S. Consulate General, Melbourne  
Unit 11011  
APO AP 96551-0002

**For inquiries concerning Western Australia:**

Commercial Specialist  
U.S. Consulate General  
Commercial Service

16 George's Terrace, 13th Floor  
Perth WA 6000  
Tel: 61 8 9231 9400  
Fax: 61 8 9231 9444

**For mail from the U.S.:**

Commercial Specialist  
Commercial Service  
U.S. Consulate General, Perth  
APO AP 96530

**C. WASHINGTON-BASED U.S. GOVERNMENT OFFICES DEALING  
WITH AUSTRALIA**

**U.S. DEPARTMENT OF AGRICULTURE**

Foreign Agricultural Service  
Foreign Agricultural Affairs  
East Asia/Pacific Area Office  
Washington DC 20250  
Tel: 202 720 2690  
Fax: 202 720 6063

**U.S. DEPARTMENT OF COMMERCE**

Australia Desk Officer  
International Trade Administration  
Room 2308, HCHB  
Washington DC 20230  
Tel: 202 482 2471/2955  
Fax: 202 482 5330

**U.S. DEPARTMENT OF DEFENSE**

Defense Security Assistance Agency  
East Asia/Pacific Division  
Office of the Secretary of Defense  
Room 4B740  
The Pentagon  
Washington DC 20301  
Fax: 703 604 6541

**U.S. DEPARTMENT OF STATE**

East Asia Pacific/ANZ Desk  
Room 4209  
Washington DC 20520  
Tel: 703 255 5138



Fax: 202 647 4402

**U.S. INFORMATION AGENCY**

East Asia Desk  
301 4th Street, S.W., Room 766  
Washington DC 20547  
Tel: 202 619 5847  
Fax: 202 619 6684

**MULTILATERAL DEVELOPMENT BANK OFFICE**

U.S. Department of Commerce  
14th and Constitution Avenue, N.W.  
Room H-1107  
Washington DC 20007  
Tel: 202 482 3399  
Fax: 202 273-0927

Australia is a donor country to multilateral development banks, not a recipient. There are no MDB offices in Australia. The Australian government liaises with the MDBs through its Embassies in cities where the banks are located: Asian Development Bank, Manila; World Bank, Washington.

**TRADE INFORMATION CENTER (TIC)**

Tel: 1-800-USA-TRADE (1 800 872 8723)  
202 482 5455 (TPCC Secretariat)  
Fax: 202 482 4473

TIC specialists provide basic export counseling and information on export services and programs offered by 19 federal agencies of the Trade Promotion Coordinating Committee (TPCC). The annual report of the TPCC, "The National Export Strategy", designates: "the Trade Information Center, situated in Commerce, as the single TPCC-wide information office that will coordinate specialized non-agricultural export information offices".

**2. AMCHAM AND BILATERAL BUSINESS COUNCILS**

**A. THE AMERICAN CHAMBER OF COMMERCE IN AUSTRALIA  
(AMCHAM)**

AmCham is the premier organization supporting the U.S. -

Australian business community. The Chamber has more than 1,500 member companies and works very closely with the U.S. Embassy and U.S. Commercial Service in Australia. It has a full program of business information and advisory services, business community networks, business forums, etc. It represents views of the business community to both the Australian and American governments and is active in the Asia-Pacific Association of Chambers and the Asia-Pacific Cooperation Forum (APCAC). It publishes an annual directory of all members.

**The American Chamber of Commerce in Australia**

Suite 4, Gloucester Walk  
88 Cumberland Street  
Sydney NSW 2000  
Tel: 61 2 9241 1907  
Fax: 61 2 9251 5220  
Email: nsw@amcham.com.au

**B. AUSTRALIAN/AMERICAN CHAMBERS OF COMMERCE (AACC)**

These organizations conduct a variety of activities, ranging from trade promotion and facilitation, to information programs, to social and cultural activities, depending upon the interests of their members. They are also affiliated loosely with the Australian Embassy and the Australian Trade Commission (AUSTRADE) in the U.S. There are AACCs in the following cities: Atlanta, GA; Chicago, IL; Dallas, TX; Denver, CO; Honolulu, HI; Houston, TX; Los Angeles, CA; Minneapolis, MN; Orlando, FL; Pittsburgh, PA; St. Louis, MO; San Diego, CA; San Francisco, CA. Contact AUSTRADE for further information (see Section 4A for address).

**C. AUSTRALIAN CHAMBERS OF COMMERCE (BY STATE)**

Each Australian state has a Chamber of Commerce to promote business relations and investment, including imports and exports, in their state.

**NEW SOUTH WALES**

State Chamber of Commerce (NSW)  
GPO Box 4280

Sydney NSW 2001  
Tel: 61 2 9350 8100  
Fax: 61 2 9350 8199

**QUEENSLAND**

Queensland Chamber of Commerce and Industry Limited  
Industry House, 375 Wickham Terrace  
Brisbane QLD 4000  
Tel: 61 7 3842 2244  
Fax: 61 7 3832 3195

**VICTORIA**

Victorian Employers' Chamber of Commerce and Industry  
50 Burwood Road  
Hawthorn VIC 3122  
Tel: 61 3 9251 4333  
Fax: 61 3 9819 3676

**SOUTH AUSTRALIA**

South Australian Employers' Chamber of Commerce and  
Industry Inc.  
136 Greenhill Road  
Unley SA 5061  
Tel: 61 8 8300 0000  
Fax: 61 8 8300 0001

**TASMANIA**

Tasmanian Chamber of Commerce and Industry  
GPO Box 793H  
Hobart TAS 7001  
Tel: 61 3 6234 5933  
Fax: 61 3 6231 1278

**WESTERN AUSTRALIA**

Chamber of Commerce and Industry of Western Australia  
PO Box 6209  
East Perth WA 6892  
Tel: 61 8 9365 7555  
Fax: 61 8 9365 7550

**3. LEADING TRADE AND INDUSTRY ASSOCIATIONS**

(Listed by Standard ITA Industry Codes)

Australia, like the U.S., has active trade and industry

associations that have various information and industry promotion programs to assist their members.

**GENERAL BUSINESS AND TRADE ASSOCIATIONS (ZEC, ZRG, ZSV)**

**ASEAN-Australia Business Council**

PO Box E14  
Kingston ACT 2604  
Tel: 61 2 6273 2311  
Fax: 61 2 6273 3196

**Asia Pacific Business Association**

PO Box A2163  
Sydney South NSW 2000  
Tel: 61 2 9235 1222  
Fax: 61 2 9221 8109

**Association of Consulting Engineers**

PO Box 1002  
North Sydney NSW 2059  
Tel: 61 2 9922 4711  
Fax: 61 2 9957 2484

**Australian Business Limited of NSW**

Private Bag No. 938  
North Sydney NSW 2059  
Tel: 61 2 9927 7500  
Fax: 61 2 9923 1166

**Australian Centre for American Studies**

Building F18, University of Sydney  
Sydney NSW 2006  
Tel: 61 2 9351 4815  
Fax: 61 2 9351 4817

**Australian Chamber of Commerce and Industry**

PO Box E14  
Kingston ACT 2604  
Tel: 61 2 6273 2311  
Fax: 61 2 6273 3286

**Australian Industry Group**

PO Box 7622  
Melbourne VIC 8004

Tel: 61 3 9280 0111  
Fax: 61 3 9280 0199

**Australian Commercial Disputes Centre**

Level 6, 50 Park Street  
Sydney NSW 2000  
Tel: 61 2 9267 1000  
Fax: 61 2 9267 3125

**Australian Institute of Management**

PO Box 112  
St. Kilda VIC 3182  
Tel: 61 3 9534 8181  
Fax: 61 3 9534 5050

**Australian Retailers Association**

Level 2, 20 York Street  
Sydney NSW 2000  
Tel: 61 2 9290 3766  
Fax: 61 2 9262 1464

**Business Council of Australia (policy advisory group)**

GPO Box 1472N  
Melbourne VIC 3001  
Tel: 61 3 9610 4222  
Fax: 61 3 9610 4223

**Customs Brokers Council of Australia Inc**

PO Box 31  
Matraville NSW 2036  
Tel: 61 2 9314 1711  
Fax: 61 2 9314 2484

**Institute of Patent and Trademark Attorneys of Australia**

1 Little Collins Street  
Melbourne VIC 3000  
Tel: 61 3 9650 2399  
Fax: 61 3 9650 3611

**Institution of Engineers, Australia**

Engineering House, 11 National Circuit  
Barton ACT 2600  
Tel: 61 2 6270 6555  
Fax: 61 2 6273 1488

**Market Research Society of Australia Ltd.**

PO Box 697  
North Sydney NSW 2059  
Tel: 61 2 9955 4830  
Fax: 61 2 9955 5746

**Standards Australia**

PO Box 1055  
Strathfield NSW 2135  
Tel: 61 2 9746 4700  
Fax: 61 2 9746 8450

**ACCOUNTING FIRMS (ACT)**

**Australian Society of Certified Practising Accountants**

GPO Box 2820AA  
Melbourne VIC 3001  
Tel: 61 3 9606 9606  
Fax: 61 3 9670 8901

**Institute of Chartered Accountants in Australia**

GPO Box 3921  
Sydney NSW 2001  
Tel: 61 2 9290 1344  
Fax: 61 2 9262 1512

**AGRICULTURAL MACHINERY AND EQUIPMENT (AGM)**

**Australian Agricultural Machinery Manufacturers  
Association**

GPO Box 1023  
Adelaide SA 5001  
Tel: 61 8 8267 4722  
Fax: 61 8 8239 1329

**AIRCRAFT/PARTS (AIR)**

**AIRPORT/GROUND SUPPORT EQPT (APG)**

**AVIATION SERVICES (AVS)**

**Association of Australian Aerospace Industries**

PO Box 4255  
Manuka ACT 2603  
Tel: 61 2 6273 6555

Fax: 61 2 6273 6611

**General Aviation Association (Australia) Inc.**

Unit 2, 74 Fullarton Road

Norwood SA 5067

Tel: 61 8 8362 0488

Fax: 61 8 8362 0705

**AUTOMOTIVE PARTS/SERVICE EQUIPMENT (APS)**

**Australian Automobile Dealers Association**

PO Box E368

Kingston ACT 2600

Tel: 61 2 6273 4333

Fax: 61 2 6273 2738

**Australian Automotive Aftermarket Association**

PO Box 411

Caulfield East VIC 3145

Tel: 61 3 9572 2686

Fax: 61 3 9572 2956

**Auto Parts Recyclers Association of Australia (APRA)**

Level 1, 3/249 Boundary Road

Mordialloc VIC 3195

Tel: 61 3 9587 2194

Fax: 61 3 9587 6556

**BIOTECHNOLOGY (BTC)**

**Australian Biotechnology Association (ABA)**

Box 7004

Gardenvale LPO

Brighton VIC 3186

Tel: 61 3 9596 8879

Fax: 61 3 9596 8874

**Australian Institute of Agricultural Science and Technology**

1st Fl., 91 Rathdowne Street

Carlton VIC 3053

Tel: 61 3 9662 1077

Fax: 61 3 9662 2727

**Australian Institute of Food Science & Technology**

PO Box 319  
Noble Park VIC 3174  
Tel: 61 3 9580 6182  
Fax: 61 3 9580 6933

**Australian Pharmaceutical Manufacturers Association**

Level 7, 88 Walker Street  
North Sydney NSW 2060  
Tel: 61 2 9922 2699  
Fax: 61 2 9959 4860

**Australian Society for Biochemistry and Molecular Biology**

c/o- Biomolecular Research Institute  
343 Royal Parade  
Parkville VIC 3052  
Tel: 61 3 9662 7299  
Fax: 61 3 9662 7301

**Environment Management Industry Association of Australia Ltd.**

PO Box 237  
Civic Square ACT 2608  
Tel: 61 2 6230 1011  
Fax: 61 2 6230 6814

**Medical Industry Association of Australia (MIAA)**

PO Box 497  
Roseville NSW 2069  
Tel: 61 2 9415 1151  
Fax: 61 2 9415 2130

**Pharmaceutical Society of Australia**

PO Box 21  
Curtin ACT 2605  
Tel: 61 2 6283 4777  
Fax: 61 2 6285 2869

**BOOKS/PERIODICALS (BOK)**

**Australian Booksellers Association Inc. (ABA)**

P.O. Box 1088  
Carlton VIC 3053



Tel: 61 3 9663 7888  
Fax: 61 3 9663 7557

## **BUILDING AND CONSTRUCTION (CON)**

### **Australian Constructors Association**

Level 4, 51 Walker Street  
North Sydney NSW 2060  
Tel: 61 2 9466 5566  
Fax: 61 2 9466 5599

### **Australian Underground Construction and Tunneling Association**

11 National Circuit  
Barton ACT 2600  
Tel: 61 2 6270 6555  
Fax: 61 2 6273 1488

### **Civil Contractors Federation**

Unit 1, 8 Glen Avon Road  
Hawthorn VIC 3122  
Tel: 61 3 9819 0611  
Fax: 61 3 9819 5170

### **Master Builders Australia Inc.**

3rd Floor, 217 Northbourne Avenue  
Turner ACT 2612  
Tel: 61 2 6249 1433  
Fax: 61 2 6249 1373

### **Process Engineers and Constructors Association Inc.**

PO Box 817  
Canberra ACT 2601  
Tel: 61 2 6217 9188  
Fax: 61 2 6217 9199

## **CHEMICAL PRODUCTION MACHINERY (CHM) CHEMICALS, INDUSTRIAL (ICH)**

### **Chemical Advisory Service**

PO Box 38  
Vermont VIC 3133  
Tel: 61 3 9335 3208  
Fax: 61 3 9335 1750

**Plastics and Chemicals Industries Association Inc.  
(PACIA)**

GPO Box 1610M  
Melbourne VIC 3001  
Tel: 61 3 9699 6299  
Fax: 61 3 9699 6717

**COMPUTERS/PERIPHERALS (CPT)  
COMPUTER SOFTWARE (CSF)  
COMPUTER SERVICES (CSV)**

**Australian Computer Society Inc.**

PO Box Q534  
Queen Victoria Building  
Sydney NSW 1230  
Tel: 61 2 9299 3666  
Fax: 61 2 9299 3997

**Australian Information Industry Association (AIIA)**

PO Box 246  
Deakin West ACT 2600  
Tel: 61 2 6282 4700  
Fax: 61 2 6285 1408

**Australian Internet Industry Association**

PO Box 74  
Red Hill ACT 2603  
Tel: 61 2 6232 6900  
Fax: 61 2 6232 6513  
email: peterc@iia.net.au

**Australian Interactive Multimedia Industry Association  
(AIMIA)**

PO Box N657  
Grosvenor Place NSW 1220  
Tel: 61 2 9338 0570  
Fax: 61 2 9338 1534

**Australian Visual Software Distributors Association  
(AVSDA)**

Level 3/160 Rowe Street  
Eastwood NSW 2122  
Tel: 61 2 9874 9700

Fax: 61 2 9874 9205

(Association represents wholesalers of interactive games  
and deals with issues such as protection from illegal parallel

#### **DEFENSE INDUSTRY EQUIPMENT (DFN)**

##### **Australian Industry Group**

GPO Box 817

Canberra ACT 2601

Tel: 61 2 6247 2233

Fax: 61 2 6248 6157

#### **DIRECT MARKETING (DIR)**

##### **Australian Direct Marketing Association**

PO Box 464

Kings Cross NSW 1340

Tel: 61 2 9368 0366

Fax: 61 2 9368 0866

#### **EDUCATION/TRAINING (EDS)**

##### **Adult Learning Australia**

PO Box 308

Jamison Centre ACT 2614

Tel: 61 2 6251 7933

Fax: 61 2 6251 7935

##### **Australian Institute of Training & Development (AITD)**

PO Box 5452

West Chatswood NSW 1515

Tel: 61 2 9419 4966

Fax: 61 2 9419 4142

##### **Australian National Training Authority (ANTA)**

GPO Box 3120

Brisbane QLD 4001

Tel: 61 7 3246 2300

Fax: 61 7 3246 2490

#### **ELECTRICAL POWER SYSTEMS (ELP)**

##### **Energy Industry Ombudsman (Victoria)**

GPO Box 469D

Melbourne VIC 3001  
Tel: 61 3 9649 7599  
Fax: 61 3 9649 7588

**Electricity Supply Association of Australia Ltd**

GPO Box A2492  
Sydney NSW 1235  
Tel: 61 2 9233 7222  
Fax: 61 2 9233 7244

**Office of the Regulator-General, Victoria**

Lvl 1, 35 Spring Street  
Melbourne VIC 3000  
Tel: 61 3 9651 0201  
Fax: 61 3 9651 3688

**Department of Industry, Science and Resources**

GPO Box 9839  
Canberra ACT 2601  
Tel: 61 2 6213 7923  
Fax: 61 2 6213 7970

**Sustainable Energy Development Authority**

PO Box N442  
Grosvenor Place NSW 1220  
Tel: 61 2 9291 5260  
Fax: 61 2 9299 1519

**ELECTRONICS (EIP)**

**Australian Electrical and Electronic Manufacturers' Association**

GPO Box 1966  
Canberra City ACT 2601  
Tel: 61 2 6247 4655  
Fax: 61 2 6247 9840

**ENVIRONMENTAL TECHNOLOGIES (POL)**

**Australian Water & Wastewater Association**

PO Box 388  
Artarmon NSW 1570  
Tel: 61 2 9413 1288  
Fax: 61 2 9413 1047

**Environment Management Industry Association of Australia**

GPO Box 2231  
Brisbane QLD 4001  
Tel: 61 7 3229 8522  
Fax: 61 7 3229 8577

**Waste Management Association of Australia**

C/o- CRC WM & PC  
PO Box 644  
Randwick NSW 2031  
Tel: 61 2 9385 6177  
Fax: 61 2 9662 2188

**FILM, VIDEOS/OTHER REC. (FLM)**

**Audio-Visual Copyright Society**

PO Box 1248  
Neutral Bay NSW 2089  
Tel: 61 2 9904 0133  
Fax: 61 2 9904 0498

**Australian Copyright Council**

3/245 Chalmers Street  
Redfern NSW 2016  
Tel: 61 2 9318 1788  
Fax: 61 2 9698 3536

**Australian Council of Film Societies**

20 Craithie Avenue  
Park Orchards VIC 3114  
Tel: 61 3 9876 1128  
Fax: 61 3 9808 4714

**Australian Film Institute**

49 Eastern Road  
South Melbourne VIC 3205  
Tel: 61 3 9696 1844  
Fax: 61 3 9696 7972  
Email: [afi@vicnet.net.au](mailto:afi@vicnet.net.au)

**Australasian Performing Rights Association Ltd. (APRA)**

Locked Bag 3665  
St.Leonards NSW 2065

Tel: 61 2 9935 7900  
Fax: 61 2 9935 7999  
E-mail: [apra@apra.com.au](mailto:apra@apra.com.au)

**Australian Record Industry Association (ARIA)**

PO Box Q20  
Queen Victoria Building  
Sydney NSW 1230  
Tel: 61 2 9267 7996  
Fax: 61 2 9267 7962

**Australian Visual Software Distributors Association  
(AVSDA)**

Level 3/160 Rowe Street  
Eastwood NSW 2122  
Tel: 61 2 9874 9700  
Fax: 61 2 9874 9205

**FINANCIAL SERVICES (FNS)**

**AMBA Credit Services Pty. Ltd.**

PO Box 2891  
Taren Point NSW 2229  
Tel: 61 2 9525 3011  
Fax: 61 2 9525 8005

**Australian Bankers' Association**

42nd Floor, 55 Collins Street  
Melbourne VIC 3000  
Tel: 61 3 9654 5422  
Fax: 61 3 9650 1756

**Australian Securities Commission (ASC) Business Centre**

GPO Box 4866  
Sydney NSW 2000  
Tel: 61 2 9911 2000  
Fax: 61 2 9911 2030

**Dun & Bradstreet (Australia) Pty. Ltd.**

PO Box 188  
Chatswood NSW 2057  
Tel: 61 2 9935 2600  
Fax: 61 2 9935 2666

**Securities Institute of Australia**

PO Box H99 Australia Square  
Sydney NSW 1215  
Tel: 61 2 9251 6799  
Fax: 61 2 9251 6287

**FOOD PROCESSING/PACKAGING EQUIPMENT (FPP)  
FOODS, PROCESSED (FOD)**

**Australian Institute of Food Science & Technology**

PO Box 319  
Noble Park VIC 3174  
Tel: 61 3 9580 6182  
Fax: 61 3 9580 6933

**Council of Australian Food Technology Associations Inc.**

136 Greenhill Road  
Unley SA 5061  
Tel: 61 8 8300 0000  
Fax: 61 8 8300 0001

**CSIRO Food Science Australia**

PO Box 52  
North Ryde NSW 1670  
Tel: 61 2 9490 8333  
Fax: 61 2 9490 8499

**Food and Beverage Importers Association Inc.**

181 Drummond Street  
Carlton VIC 3053  
Tel: 61 3 9639 3644  
Fax: 61 3 9639 0638

**Food Industry Council of Australia (FICA)**

PO Box E14  
Kingston ACT 2604  
Tel: 61 2 6273 2311  
Fax: 61 2 6273 3286

**Packaging Council of Australia Inc.**

GPO Box 1469N  
Melbourne VIC 3001  
Tel: 61 3 9698 4278/9

Fax: 61 3 9690 3514

### **FRANCHISING (FRA)**

#### **Franchise Council of Australia Ltd (FCA)**

(Formerly FAANZ)

GPO Box 1498N

Melbourne VIC 3001

Tel: 61 3 9650 1667

Fax: 61 3 9650 1713

### **HEALTH CARE SERVICES (HCS)**

#### **Australian Institute of Health & Welfare (AIHW)**

GPO Box 570

Canberra ACT 2601

Tel: 61 2 6244 1000

Fax: 61 2 6244 1299

#### **Australian Private Hospitals Association Ltd**

PO Box 346

Curtin ACT 2605

Tel: 61 2 6285 2716

Fax: 61 2 6285 2243

Internet: <http://www.apha.org.au>

Email: [george.neale@apha.org.au](mailto:george.neale@apha.org.au)

#### **Australian Dental Industry Association**

PO Box 536

Strawberry Hills NSW 2012

Tel: 61 2 9319 5631

Fax: 61 2 9319 5381

### **INFORMATION SERVICES (INF)**

#### **Australian Information Industry Association (AIIA)**

PO Box 246

Deakin West ACT 2600

Tel: 61 2 6282 4700

Fax: 61 2 6285 1408

#### **Australian Information Technology Society**

PO Box R590

Royal Exchange NSW 2000



Tel: 61 2 9211 9522  
Fax: 61 2 9211 6589

#### **INVESTMENT SERVICES (INV)**

**Investment and Financial Services Association**  
Level 24, 44 Market Street  
Sydney NSW 2000  
Tel: 61 2 9299 3022  
Fax: 61 2 9299 3198

#### **JEWELRY (JLR)**

**Jewellers Association of Australia (JAA)**  
PO Box 282  
Deakin West ACT 2600  
Tel: 61 2 6282 3211  
Fax: 61 2 6282 2725

#### **MACHINE TOOLS/METALWORKING EQUIPMENT (MTL)**

**Australian Industry Group**  
PO Box 289  
North Sydney NSW 2059  
Tel: 61 2 9466 5566  
Fax: 61 2 9466 5599

#### **MATERIALS HANDLING MACHINERY (MHM)**

**Australian Institute of Materials Management**  
PO Box 192  
Salisbury QLD 4107  
Tel: 61 7 3241 1800  
Fax: 61 7 3274 3670

#### **MEDICAL EQUIPMENT (MED)**

**Medical Industry Association of Australia (MIAA)**  
PO Box 497  
Roseville NSW 2069  
Tel: 61 2 9415 1151  
Fax: 61 2 9415 2130

#### **MINING INDUSTRY EQUIPMENT (MIN)**

**Minerals Council of Australia**

PO Box 363  
Dickson ACT 2602  
Tel: 61 2 6279 3600  
Fax: 61 2 6279 3699

**OIL & GAS FIELD MACHINERY (OGM)**

**OIL, GAS, MINERAL PRODUCTION/EXPLORATION SERVICES (OGS)**

**The Australian Gas Association**

GPO Box 323  
Canberra ACT 2601  
Tel: 61 2 6247 3955  
Fax: 61 2 6249 7402  
Email: canberra@gas.asn.au

**PACKAGING EQUIPMENT (PKG)**

**Packaging Council of Australia**

GPO Box 1469N  
Melbourne VIC 3001  
Tel: 61 3 9698 4278/9  
Fax: 61 3 9690 3514

**PLASTIC MATERIALS/RESINS (PMR)**

**PLASTICS PRODUCTION MACHINERY (PME)**

**Plastics and Chemicals Industries Association (PACIA)**

GPO Box 1610M  
Melbourne VIC 3001  
Tel: 61 3 9699 6299  
Fax: 61 3 9699 6717

**PRINTING/GRAPHIC ARTS EQUIPMENT (PGA)**

**Graphic Arts Services Association of Australia (GASAA)**

PO Box 58  
St Leonards NSW 2065  
Tel: 61 2 9372 1249  
Fax: 61 2 9372 1289

**Printing Industries Association of Australia**

PO Box 58

St Leonards NSW 2065  
Tel: 61 2 9372 1222  
Fax: 61 2 9372 1288

**PROCESS CONTROL INSTRUMENTATION (PCI)**

**Institute of Instrumentation and Control Australia, Inc.**  
PO Box 82  
Deepdene Delivery Centre VIC 3103  
Tel: 61 3 9816 3333  
Fax: 61 3 9857 5057

**RAILROAD EQUIPMENT (RRE)**

**Australasian Railway Association**  
PO Box 266  
Melbourne VIC 8007  
Tel: 61 3 9614 5162  
Fax: 61 3 9614 5514

**SECURITY/SAFETY EQUIPMENT (SEC)**

**Australian Security Industry Association Limited (ASIAL)**  
PO Box 1338  
Crows Nest NSW 2065  
Tel: 61 2 9906 4780  
Fax: 61 2 9906 4202

**TELECOMMUNICATIONS EQUIPMENT (TEL)**  
**TELECOMMUNICATION SERVICES (TES)**

**Australasian Teleconferencing Association (ATA)**  
PO Box 3151  
South Brisbane QLD 4101  
Tel/Fax: 61 7 3300 9077

**Australian Telecommunications Users Group Limited (ATUG)**  
PO Box 357  
Milsons Point NSW 1565  
Tel: 61 2 9957 1333  
Fax: 61 2 9925 0880

**TEXTILES, CLOTHING AND FOOTWEAR (TXP)**

**Council of Textile and Fashion Industries of Australia  
Limited**

GPO Box 1469N  
Melbourne VIC 3001  
Tel: 61 3 9698 4460  
Fax: 61 3 9698 4459

**TRAVEL AND TOURISM SERVICES (TRA)**

**Australian Federation of Travel Agents Limited**

Level 3, 309 Pitt Street  
Sydney NSW 2000  
Tel: 61 2 9264 3299  
Fax: 61 2 9264 1085

**Australian Tourist Commission**

Level 4, 80 William Street  
Woolloomooloo NSW 2011  
Tel: 61 2 9360 1111  
Fax: 61 2 9331 6469

**Tourism Training Australia**

GPO Box 2493  
Sydney NSW 2000  
Tel: 61 2 9290 1055  
Fax: 61 2 9290 1011

**Tourism Council Australia**

PO Box 646  
Kings Cross NSW 2011  
Tel: 61 2 9358 6055  
Fax: 61 2 9358 6188

**Tourism Task Force**

Level 9, Westfield Towers  
100 William Street  
Sydney NSW 2000  
Tel: 61 2 9368 1500  
Fax: 61 2 9368 0933

**Visit USA Committee Australia**

PO Box 466  
Milsons Point NSW 2061  
Tel: 61 2 9954-6040

Fax: 61 2 9955-6042

**WATER RESOURCES EQUIPMENT/SERVICES (WRE)**

**Australian Water & Wastewater Association**

PO Box 388

Artarmon NSW 1570

Tel: 61 2 9413 1288

Fax: 61 2 9413 1047

**International Association on Water Quality**

Australian National Committee

PO Box 388

Artarmon NSW 1570

Tel: 61 2 9413 1288

Fax: 61 2 9413 1047

**4. AUSTRALIAN GOVERNMENT AGENCIES**

**A. AUSTRALIAN GOVERNMENT OFFICES IN THE UNITED STATES**

The **Embassy of Australia** is responsible for all diplomatic relations between Australia and the United States. Australian Consulates General are located in various U.S. cities and have representational, trade and consular functions.

The **Australian Trade Commission (AUSTRADE)** is responsible for trade and investment promotion and has offices in the Australian Embassy in Washington, D.C. and at the Australian Consulates General in Los Angeles, San Francisco, Atlanta, Houston, and New York.

**Embassy of Australia**

1601 Massachusetts Avenue NW

Washington DC 20036

Tel: 202 797 3000

Fax: 202 797 3168

**Senior Trade Commissioner**

**AUSTRADE**

c/o Embassy of Australia

(as above)

**Senior Customs Representative**

Embassy of Australia  
(as above)

**Australian Tourist Commission**

2049 Century Park East  
Suite 1920  
Los Angeles CA 90067  
Tel: 310 229 4870  
Fax: 310 552 1215

**B. KEY AUSTRALIAN FEDERAL GOVERNMENT AGENCIES**

**Airservices Australia**

GPO Box 367  
Canberra ACT 2601  
Tel: 61 2 6268 4111  
Fax: 61 2 6268 5685

**AUSTEL (Telecommunications Regulatory Authority)**

PO Box 7443  
St. Kilda Road  
Melbourne VIC 3004  
Tel: 61 3 9828 7300  
Fax: 61 3 9820 3021

**Australian Communications Authority**

Purple Building, Benjamin Offices  
Chan Street  
Belconnen ACT 2617  
Tel: 61 2 6256 5555  
Fax: 61 2 6256 5353

**Australian Competition & Consumer Commission**

470 Northbourne Ave  
Dickson ACT 2062  
Tel: 61 2 6243 1111  
Fax: 61 2 6243 1199

**Broadcasting Authority, Australian**

PO Box Q500  
Queen Victoria Building  
Sydney NSW 1230  
Tel: 61 2 9334 7700

Fax: 61 2 9334 7799

**Building Codes Board, Australian**

C/o Department of Industry, Science and Resources

GPO Box 9839

Canberra ACT 2601

Tel: 61 2 6213 7191

Fax: 61 2 6213 7287

**Bureau of Statistics, Australian**

PO Box 10

Belconnen ACT 2616

Tel: 61 2 6252 5000

Fax: 61 2 6251 6009

**Communications, Information Technology and the Arts,  
Department of Film and Licensed Broadcasting**

GPO Box 2154

Canberra ACT 2601

Tel: 61 2 6279 1644

Fax: 61 2 6279 1717

**Communications, Information Technology and the Arts,  
Department of Spectrum Management Agency**

(Radiofrequency Spectrum)

PO Box 78

Belconnen ACT 2616

Tel: 61 2 6256 5555

Fax: 61 2 6256 5200

**Communications, Information Technology and the Arts,  
Department of Telecommunications Industry Division**

GPO Box 2154

Canberra ACT 2601

Tel: 61 2 6279 1894

Fax: 61 2 6279 1890

**Construction Forecasting Committee**

Department of Industry, Science and Tourism

PO Box 9839

Canberra ACT 2601

Tel: 61 2 6213 7180

Fax: 61 2 6213 7253

**Customs Service, Australian**

Customs House  
5 Constitution Avenue  
Canberra ACT 2600  
Tel: 61 2 6275 6666  
Fax: 61 2 6275 6999

Sydney ..... Fax: 61 2 9213 4000  
Melbourne ... Fax: 61 3 9244 8220  
Brisbane .... Fax: 61 7 3835 3499  
Perth ..... Fax: 61 8 9430 1771  
Adelaide .... Fax: 61 8 8447 9208  
Tasmania .... Fax: 61 3 6230 1264

Dumping and Self-Assessment Branch  
Tel: 61 2 6275 6396  
Fax: 61 2 6275 6990

**Defence, Department of**

R1-Russell Offices  
Canberra ACT 2600  
Tel: 61 2 6265 9111  
Fax: 61 2 6265 3000

**Foreign Affairs and Trade, Department of**

R G Casey Building  
John McEwen Cres.  
Barton ACT 0221  
Tel: 61 2 6261 9111  
Fax: 61 2 6261 3111

**Foreign Investment Review Board (FIRB)**

c/o Department of the Treasury  
Parkes Place  
Parkes ACT 2600  
Tel: 61 2 6263 3755

**Health and Medical Research Council, National**

GPO Box 9848  
Canberra ACT 2601  
Tel: 61 2 6289 1555  
Fax: 61 2 6289 1350

**Immigration and Multicultural Affairs, Department of**



Benjamin Offices  
Chan Street  
Belconnen ACT 2617  
Tel: 61 2 6264 1111  
Fax: 61 2 6264 2670

**IP Australia (Intellectual Property)**

Discovery House  
47 Bowes Street  
Woden ACT 2606  
Tel: 61 2 6283 2211  
Fax: 61 2 6281 1841

**Industry, Science and Resources, Department of**

20 Allara Street  
Canberra ACT 2601  
Tel: 61 2 6213 6000  
Fax: 61 2 6213 7000

**National Building and Construction Committee  
Department of Industry, Science and Resources**

33 Allara Street  
Canberra ACT 2601  
Tel: 61 2 6213 7264  
Fax: 61 2 6213 7253

**Quarantine & Inspection Service, Australian**

GPO Box 858  
Canberra ACT 2601  
Tel: 61 2 6272 5440  
Fax: 61 2 6272 5753

**Taxation Office, Australian**

PO Box 900  
Civic Square ACT 2608  
Tel: 61 2 6216 1111  
Fax: 61 2 6216 2538

**Trade Development Zone Authority**

PMB 88  
Winnellie NT 0821  
Tel: 61 8 8936 0600  
Fax: 61 8 8941 7684

**Transport and Regional Services, Department of**

Todd Building  
17 Mort Street  
Canberra ACT 2601  
Tel: 61 2 6274 7111  
Fax: 61 2 6257 2505

**Treasury, Department of the**

Parkes Place  
Parkes ACT 2600  
Tel: 61 2 6263 3738  
Fax: 61 2 6263 3360

**C. AUSTRALIAN STATE ECONOMIC DEVELOPMENT AGENCIES**

Each Australian state has its own office that provides information on business location, communications and infrastructure, privatization, major projects, work force and skills base, regulations, planning and approval processes, and potential joint-venture opportunities and partners. These offices actively promote foreign investment into their individual states.

They have a great deal of information available and offer a variety of business promotion services to corporations interested in establishing a business presence in their state.

**AUSTRALIAN CAPITAL TERRITORY****Office of Business Development and Tourism**

Level 7  
FAI House  
197-207 London Circuit  
Canberra ACT 2601  
Tel: 61 2 6205 0288  
Fax: 61 2 6205 0597

**NEW SOUTH WALES****Department of State and Regional Development**

Level 44, Grosvenor Place  
225 George Street  
Sydney NSW 2000  
Tel: 61 2 9338 6900

Fax: 61 2 9338 6950

**Department of Sport and Recreation**

PO Box 422

North Sydney NSW 2059

Tel: 61 2 9923 4234

Fax: 61 2 9923 4345

**Olympic Co-ordination Authority**

Level 36, Governor Macquarie Tower

1 Farrer Place

Sydney NSW 2000

Tel: 61 2 9228 3333

Fax: 61 2 9228 5551

**Sydney Organizing Committee for the Olympic Games  
(SOCOG)**

GPO Box 2000

Sydney NSW 2001

Tel: 61 2 9297 2000

Fax: 61 2 9297 2020

**Sydney Paralympic Organizing Committee**

GPO Box 2000

Sydney NSW 2001

Tel: 61 2 9297 2000

Fax: 61 2 9297 2020

**NORTHERN TERRITORY**

**Department of Industries and Small Business**

GPO Box 4160

Darwin NT 0801

Tel: 61 8 8999 5210

Fax: 61 8 8999 5333

**QUEENSLAND**

**Department of State Development**

PO Box 168

Brisbane Albert Street QLD 4002

Tel: 61 7 3224 4009

Fax: 61 7 3225 1671

## **SOUTH AUSTRALIA**

### **Department of Industry and Trade**

GPO Box 1264  
Adelaide SA 5001  
Tel: 61 8 8303 2400  
Fax: 61 8 8303 2410

## **TASMANIA**

### **Department of State Development**

GPO Box 646  
Hobart TAS 7001  
Tel: 61 3 6233 5800  
Fax: 61 3 6233 5888

## **VICTORIA**

### **Department of State Development**

GPO Box 4509RR  
Melbourne VIC 3001  
Tel: 61 3 9651 9999  
Fax: 61 3 9651 9770

## **WESTERN AUSTRALIA**

### **Department of Commerce and Trade**

168-170 St Georges Terrace  
Perth WA 6000  
Tel: 61 8 9327 5666  
Fax: 61 8 9327 5481

## **5. SOURCES OF MARKET RESEARCH AND BUSINESS FACILITATION SERVICES**

There are many professional market research companies in Australia. Some have industry specializations. Others offer a range of services from broad industry analyses to financial checks and tailored market entry assistance. In addition, many national and international law firms, accounting firms, management consulting firms and financial services organizations offer market research and business facilitation as part of their service packages.

The U.S. Foreign Commercial Service in Australia, the American Chamber of Commerce in Australia and the State Chambers of Commerce maintain lists of service providers and can advise companies on how to obtain assistance on specific needs (see Appendix sections 1B, 2A and 2C for contact information).

There are a number of new information products, in print and on CD-ROM, available to help American companies find prospective business contacts in Australia (see Appendix section 7.C. for listing).

## **6. COMMERCIAL BANKS IN AUSTRALIA**

### **A. AUSTRALIAN BANKS**

#### **Advance Bank Australia Limited**

PO Box R221, Royal Exchange  
Sydney NSW 2000  
Tel: 61 2 9964 5000  
Fax: 61 2 9236 1999

#### **Australia and New Zealand Banking Group Limited**

GPO Box 537E  
Melbourne VIC 3001  
Tel: 61 3 9273 5555  
Fax: 61 3 9273 6142

#### **Bank of Western Australia trading as BankWest**

GPO Box E237  
Perth WA 6001  
Tel: 61 8 9449 7000  
Fax: 61 8 9449 7050

#### **Commonwealth Bank of Australia**

GPO Box 2719  
Sydney NSW 1155  
Tel: 61 2 9227 7111  
Fax: 61 2 9378 4993

#### **National Australia Bank Limited**

GPO Box 84A  
Melbourne VIC 3001

Tel: 61 3 8641 3500  
Fax: 61 3 8641 4916

**Westpac Banking Corporation**

GPO Box 1  
Sydney NSW 2001  
Tel: 61 2 9226 3311  
Fax: 61 2 9226 4128

**B. AMERICAN BANKS**

**Bank of America NT & SA - Australia**

GPO Box 490  
Sydney NSW 2001  
Tel: 61 2 9931 4200  
Fax: 61 2 9221 1023

**Bankers Trust Australia Limited**

PO Box H4  
Australia Square  
Sydney NSW 1215  
Tel: 61 2 9259 3555  
Fax: 61 2 9259 9800

**Credit Suisse First Boston**

PO Box R1474  
Sydney NSW 1223  
Tel: 61 2 9394 4400  
Fax: 61 2 9394 4676

**The Chase Manhattan Bank**

GPO Box 9816  
Sydney NSW 2001  
Tel: 61 2 9250 4111  
Fax: 61 2 9250 4554

**Citibank Limited**

GPO Box 40  
Sydney NSW 1027  
Tel: 61 2 9239 9100  
Fax: 61 2 9239 5856

**First Chicago NBD (aka Bank One)**

Level 32, Westpac Plaza

60 Margaret Street  
Sydney NSW 2000  
Tel: 61 2 9250 2100  
Fax: 61 2 9223 1823

**Merrill Lynch Australia Pty. Ltd.**

Level 49, MLC Centre  
19-29 Martin Place  
Sydney NSW 2000  
Tel: 61 2 9225 6500  
Fax: 61 2 9225 6655

**J P Morgan**

GPO Box 5248  
Sydney NSW 1042  
Tel: 61 2 9551 6100  
Fax: 61 2 9551 6353

**State Street Bank and Trust Company**

PO Box H296  
Australia Square  
Sydney NSW 2125  
Tel: 61 2 9323 6500  
Fax: 61 2 9323 6540

**7. AUSTRALIAN PUBLICATIONS AND DATABASES**

Australia has a full range of national, state and local (general, business and special purpose) newspapers and periodicals, and a range of comprehensive business directories and references.

**A. NEWSPAPERS**

**AUSTRALIAN CAPITAL TERRITORY**

**The Canberra Times**

Federal Capital Press of Australia  
PO Box 7155  
Canberra Mail Centre ACT 2610  
Tel: 61 2 6280 2122  
Fax: 61 2 6280 4884  
Internet: <http://www.canberratimes.com.au>

## **NEW SOUTH WALES**

### **The Australian** (national focus)

News Ltd.

GPO Box 4245

Sydney NSW 2001

Tel: 61 2 9288 3000

Fax: 61 2 9288 2300

Internet: <http://www.australian.aust.com>

### **The Australian Financial Review** (national focus)

John Fairfax Group Ltd.

GPO Box 506

Sydney NSW 2001

Tel: 61 2 9282 2833

Fax: 61 2 9282 3027

Internet: <http://www.afr.com.au/>

### **The Sydney Morning Herald**

John Fairfax Group Ltd.

GPO Box 506

Sydney NSW 2001

Tel: 61 2 9282 2833

Fax: 61 2 9282 3027

Internet: <http://www.smh.com.au/>

## **NORTHERN TERRITORY**

### **Northern Territory News**

News Ltd.

GPO Box 1300

Darwin NT 0801

Tel: 61 8 8944 9900

Fax: 61 8 8981 6045

## **QUEENSLAND**

### **The Courier Mail**

Queensland Newspapers Ltd.

GPO Box 130

Brisbane QLD 4001

Tel: 61 7 3252 6011

Fax: 61 7 3252 6696

## **SOUTH AUSTRALIA**



**The Adelaide Advertiser**

Advertiser Newspaper Ltd.  
121 King William Street  
Adelaide SA 5000  
Tel: 61 8 8206 2000  
Fax: 61 8 8206 3622

**VICTORIA****The Age**

GPO Box 257C  
Melbourne VIC 3001  
Tel: 61 3 9600 4211  
Fax: 61 3 9601 2327  
Internet: <http://www.theage.com.au/>

**WESTERN AUSTRALIA****The West Australian**

WA Newspapers Ltd.  
GPO Box D162  
Perth WA 6001  
Tel: 61 8 9482 3111  
Fax: 61 8 9482 3177

**TASMANIA****The Mercury**

GPO Box 334D  
Hobart TAS 7001  
Tel: 61 3 6230 0622  
Fax: 61 3 6230 0766

**B. NATIONAL PERIODICALS****Business Review Weekly**

BRW Media  
GPO Box 55A  
Melbourne VIC 3001  
Tel: 61 3 9603 3888  
Fax: 61 3 9670 4328  
Internet: <http://www.brw.com.au/>

**The Bulletin with Newsweek**

ACP Publishing Pty. Limited  
4th Floor, 54 Park Street  
Sydney NSW 2000  
Tel: 61 2 9282 8000  
Fax: 61 2 9267 2150

**The Business Bulletin**

National Business Magazines Pty. Ltd.  
PO Box 687  
Darlinghurst NSW 2010  
Tel: 61 2 9212 5588  
Fax: 61 2 9212 3709

**The Land Newspaper** (Agriculture/Country Life Focus)

Rural Press Limited  
159 Bells Line of Road  
North Richmond NSW 2754  
Tel: 61 2 4570 4444  
Fax: 61 2 4570 4650

**C. BUSINESS DIRECTORIES****Brylar's Australia on Disc**

Dependable Database Data  
Level 6, 192 Pitt Street  
Sydney NSW 2000  
Tel: 61 2 9261 8560  
Fax: 61 2 9261 8511  
(Yellow Pages Business Directories of Australia on CD-ROM-  
Annual)

"Australia on Disc - Business" is one of the most comprehensive business directories, including more than one million business names, addresses and fax numbers throughout Australia.

Searches can be made with a number of criteria. Information can be exported to an ASCII format. Customized databases can also be built. The yearly cost is about US\$200, with updates twice a year. A less sophisticated CD-ROM, called "Green Pages", contains business and residential telephone book listings, but no

fax numbers. It costs about US\$60. Contact the Commercial Service in Australia for more details.

**The Business Who's Who of Australia**

Riddell Information Services Pty. Ltd.

A Dun & Bradstreet Company

PO Box 204

Chatswood NSW 2057

Tel: 61 2 9935 2600

Fax: 61 2 9935 2777

Available in CD-ROM or hard copy.

Annual

**Directory of Australian Associations**

Information Australia

75 Flinders Lane

Melbourne VIC 3000

Tel: 61 3 9654 2800

Fax: 61 3 9639 1548

Quarterly

**Kompass**

APN Business Publishing Pty. Ltd.

PO Box 172

Prahran VIC 3181

Tel: 61 3 9245 7777

Fax: 61 3 9245 7840

Available in CD-ROM or hard copy.

Annual

**National Guide to Government**

Information Australia

75 Flinders Lane

Melbourne VIC 3000

Tel: 61 3 9654 2800

Fax: 61 3 9639 1548

Quarterly

**CHAPTER XII: MARKET RESEARCH AND TRADE EVENTS**

**APPENDIX F: MARKET RESEARCH 1999-2000**

**1. INDUSTRY SECTOR MARKET RESEARCH**

A full range of available market research, including a broad range of Industry Sector Analysis (ISA) reports in best prospects and other sectors, as well as other special market research reports are available in the National Trade Data Bank (NTDB). The following is a selected list:

**A. INDUSTRY SECTOR ANALYSES (ISAS) COMPLETED IN FY 1999:**

AIR	GLOBAL POSITIONING SYSTEMS EQUIPMENT
APS	AUTOMOTIVE PARTS AFTERMARKET
BTC	BIOTECHNOLOGY APPLICATIONS IN AGRICULTURE & FOOD TECHNOLOGY
CSF	ENTERPRISE RESOURCE PLANNING SOFTWARE
CSF	NETWORKING EQUIPMENT: DOCUMENT MANAGEMENT SOFTWARE
EPL	ENERGY EFFICIENCY SERVICES
FOD	ALCOHOLIC BEVERAGES: WINE
FRA	FRANCHISING
LAB	LABORATORY & SCIENTIFIC EQUIPMENT
OGM	GAS TRANSMISSION MACHINERY (COMPRESSORS)
OGM	OIL AND GAS FIELD EQUIPMENT
PGA	PRINTING MACHINES
POL	ENVIRONMENTAL: RECYCLING EQUIPMENT
SEC	POLICE EQUIPMENT: SPECIAL OPERATIONS
SPT	SPORTING GOODS: GOLF EQUIPMENT
TEL	TELECOMMUNICATIONS EQUIPMENT: CALL CENTER EQUIPMENT
TRA	TRAVEL AND TOURISM SERVICES
TXF	TEXTILE FABRICS
WRE	ENVIRONMENTAL: WASTEWATER TREATMENT EQUIPMENT

**B. INDUSTRY SECTOR ANALYSES (ISAS) SCHEDULED FOR FY 2000:**

AGM	AGRICULTURAL EQUIPMENT
AIR	GENERAL AVIATION
APS	ELECTRIC VEHICLES
CON	CONSTRUCTION MACHINERY - ENGINEERING & NON-RESIDENTIAL
CPT	COMPUTER HARDWARE
CSF	KNOWLEDGE MANAGEMENT
DFN	DEFENSE COMMERCIAL SUPPORT PROGRAM
ELP	POWER DISTRIBUTION SYSTEMS
HTL	GAMING INDUSTRY
MED	MEDICAL EQUIPMENT
MIN	MINING EQUIPMENT
MTL	MACHINE TOOLS
PLB	MARINE ACCESSORIES

REQ RENEWABLE ENERGY  
TEL CABLE TESTING EQUIPMENT  
TOY TOYS/GAMES

**2. U.S. DEPARTMENT OF AGRICULTURE/FOREIGN AGRICULTURAL SERVICE  
COMMODITY REPORTS AND MARKET BRIEFS**

JANUARY	Fresh Deciduous Fruit - annual Kiwifruit - annual
FEBRUARY	Livestock - semi-annual Tree Nuts - annual
MARCH	Grain and Feed - annual Canned Deciduous Fruit - annual
APRIL	Sugar - annual Dried Fruit - annual
MAY	Citrus - annual Tobacco - annual Dairy - semi-annual
JUNE	Cotton - annual Wine Competition - annual
AUGUST	Livestock - annual Poultry - annual
SEPTEMBER	Fresh Deciduous Fruit - semi-annual Canned Deciduous Fruit - semi-annual Competitor Report - annual
OCTOBER	Sugar - semi-annual Dried Fruit - semi-annual Forest Products - annual Dairy - annual

**APPENDIX G: FY '99 and 2000 TRADE EVENT SCHEDULE**

Because trade event schedules may change, firms should consult our Export Promotion Calendar on the National Trade Data Bank, or contact the Commercial Service in Australia for the latest information.

## **AUTOMOTIVE PARTS/SERVICES/EQUIPMENT (APS)**

### **AUSTRALIAN AUTOMOTIVE TRADE FAIR**

This exhibition is the only event in Australia promoting the Automotive Aftermarket sector. It is held every year in either Melbourne or Sydney, on an alternating basis.

Organizer: Trade Fairs & Events Australia

54 Kellett Street, Kings Cross, NSW 2011

Tel: 61 2 9357 7022

Fax: 61 2 9356 3834

#### **Melbourne, VIC**

Date: May 5-7, 2000

Location: Melbourne Exhibition Centre

## **COMPUTERS/PERIPHERALS/SOFTWARE SERVICES (CPT, CSF)**

### **IT 2000**

The "Global Computer Communications and Networking Exhibition", held annually in three cities (Sydney, Melbourne and Brisbane), is the largest IT exhibition in Australia, displaying every facet of the IT industry.

Organizer: Australian Exhibition Services;

Illoura Plaza, 424 St. Kilda Road, Melbourne VIC 3004

Tel: 61 3 9261 4500

Fax: 61 3 9261 4545

Email: [it2000@ausexhibit.com.au](mailto:it2000@ausexhibit.com.au)

#### **Sydney, NSW**

Date: March 7-10, 2000

Location: Sydney Convention & Exhibition Centre, Darling Harbour

#### **Brisbane, QLD**

Date: May 16-18, 2000

Location: Brisbane Convention & Exhibition Centre

#### **Melbourne, VIC**

##### **Interact + IT 2000**

Date: August 20-September 3, 1999

Date: August 29-September 1, 2000

Location: Melbourne Exhibition Centre

**INFORMATION ON-LINE AND ON-DISC**

Date: January 19-21, 2001

Location: Sydney Convention Centre, Sydney, NSW

Trade show featuring publicly available databases for subscription.

Frequency: Biennial

Organizer: Australian Convention Management Services

Tel: 61 2 9332 4622

Fax: 61 2 9332 4066

**1999 INTERACT ASIA PACIFIC MULTIMEDIA FESTIVAL**

The Interact Asia Pacific Multimedia Festival will be a focal point for the multimedia and IT industries in the Asia Pacific region. The Festival combines all aspects of multimedia, information technology and telecommunications into a comprehensive and exciting event. The Festival runs from August 20-Sept. 3, with the Interact and PC IT 99 Expo, the Festival's flagship event, running from August 31-September 3.

In 2000, the event runs from:

August 20-September 3, 2000

Location: Melbourne Exhibition Centre, Melbourne, VIC

Frequency: Annual

Exhibition Organizer: Interact Events Ltd.,

Level 33, 360 Collins Street,

Melbourne VIC 3000

Tel: 61 3 9696 7900

Fax: 61 3 9696 7911

Email: [info@interact99.com.au](mailto:info@interact99.com.au)

Web site: [www.interact99.com.au](http://www.interact99.com.au)

**CONSTRUCTION (CON)****THE ENGINEERS FIELD DAYS**

Date: March/April 2000

Location: Panthers World of Entertainment, Penrith, NSW

Frequency: Annual

Exhibition Organizer: Institute of Municipal Engineering  
Australia, NSW Division

Tel: 61 2 9267 6677

Fax: 61 2 9283 5255

Web Site: [www.imea.asn.au](http://www.imea.asn.au)

**CIVINEX 2000**

Date: March 2000  
Location: Werribee Park, Melbourne  
Frequency: Annual  
Exhibition Organizer: WBCM Consultants Ltd.  
Tel: 61 3 9699 2660  
Fax: 61 3 9690-9461

#### **LOGOV EXPO**

Date: October 7-8, 1999; October 2000  
Location: Logan City, Brisbane  
Frequency: Annual  
Exhibition Organizer: Logan City Council  
Tel: 61 7 3826 5259  
Fax: 61 7 3808 0014

#### **EDUCATION/TRAINING SERVICES (EDS)**

##### **EDUTECH**

Date: May 28-30, 2000  
Location: Melbourne Exhibition Centre, Melbourne  
Trade exhibition for education and training technology  
Frequency: Biannual  
Exhibition Organizer: Australian Trade Exhibitions Pty. Ltd.  
Tel: 61 3 9819-0211  
Fax: 61 3 9818-8553  
Email: [edutech@a-t-e.com.au](mailto:edutech@a-t-e.com.au)

#### **ELECTRICITY & POWER GENERATION (ELP)**

##### **DISTRIBUTION 2000**

Date: November 9-12, 1999  
Location: Brisbane Exhibition Centre  
Trade exhibition theme: Electricity and gas utilities (including the transmission sector of the energy industries, as well as distribution companies) displaying leading edge technology in energy networks.  
Frequency: Annual  
Exhibition Organizer: Waldron Smith Convention Network  
Tel: 61 3 9690 6744  
Fax: 61 3 9690 7155

#### **ENVIRONMENTAL (POL)**

##### **FIFTH AUSTRALIAN WASTE CONVENTION**



Date: April 9-13, 2000  
Location: Sydney Convention Centre  
Water and wastewater management and technology  
Frequency: Biennial  
Exhibition Organizer: Australian Water & Wastewater Association  
Tel: 61 2 9413 1288  
Fax: 61 2 9413 1047

#### **FOOD PROCESSING AND PACKAGING (FPP)**

##### **AUSPACK**

Date: October 19-22, 1999  
Location: Melbourne Exhibition and Convention Centre  
Frequency: Biennial  
Exhibition Organizer: Exhibition and Trade Fairs  
Tel: 61 2 9413 3322  
Fax: 61 2 9413 3303  
WebSite: [www.apma.asn.au](http://www.apma.asn.au)  
Email: [syd@ets.com.au](mailto:syd@ets.com.au)

##### **FOODPRO**

Date: July 2000  
Location: Sydney Convention & Exhibition Centre, Sydney, NSW  
Frequency: Annual  
Exhibition Organizer: Riddell Exhibitions  
Tel: 61 3 9429 6088  
Fax: 61 3 9427 0829

#### **FRANCHISING (FRA)**

##### **FRANCHISING AND BUSINESS OPPORTUNITIES EXPO**

Date: March 24-26, 2000  
Location: Sydney Convention & Exhibition Centre, Sydney, NSW  
Franchising Expo  
Frequency: Annual  
Exhibition Organizer: Australian Exhibition Services  
Tel: 61 3 9261 4500  
Fax: 61 3 9261 4545

#### **GENERAL TRADE EVENTS**

##### **MULTI-STATE CATALOG SHOW**

The Multi-State Catalog Show is a joint catalog exhibition of the U.S. Commercial Service and various U.S. states. Representatives from the U.S. Commercial Service and the participating states will be present to provide information on the exhibiting companies and their products. Companies typically come from a broad spectrum of industries, within a target group of industry sectors.

Date: April 2000

Location: Sydney, Melbourne

Contact: Nancy Hesser, Manager, Multi-State Catalog Exhibition  
U.S. Department of Commerce, Washington DC 20230

Tel: 202 482 4663

Fax: 202 482 2718

### **HOSPITALITY (HTL)**

#### **AUSTRALASIAN GAMING EXPO**

Date: July 1-3, 2000

Location: Sydney Convention & Exhibition Centre, Sydney, NSW

Trade exhibition for suppliers to the gaming, hotel, hospitality, amusement & entertainment industries.

Frequency: Annual

Exhibition Organizer: Exhibition Management Pty Ltd

Tel: 61 3 9646 4044

Fax: 61 3 9646 1828

Email: [exhibition@enternet.com.au](mailto:exhibition@enternet.com.au)

#### **INTERNATIONAL CATERING TRADE FAIR**

Date: May 7-10, 2000

Location: Sydney Convention & Exhibition Centre, Sydney, NSW

Trade exhibition for suppliers of food, beverage, commercial kitchen, top-of-the-table, front & back of house, service & technology equipment.

Frequency: Annual

Exhibition Organizer: Reed Exhibition Companies

Tel: 61 2 9422 2500

Fax: 61 2 9422 2555

### **LABORATORY & SCIENTIFIC EQUIPMENT (LAB)**

#### **SCIENCE 2000**

Date: March 21-23, 2000

Location: Rosehill Gardens, Sydney

Trade exhibition for laboratory and scientific instruments and equipment.

Frequency: Annual

Organizer: Scientific Suppliers Association of Australia (SSAA)

Tel: 61 2 9804-8051

Fax: 61 2 9804-8052

Email: [ssaa@enternet.com.au](mailto:ssaa@enternet.com.au)

Website: <http://www.ssaa.asn.au>

FCS Australia will have a Product Literature Center (PLC) at this trade event. For information on the PLC, please contact:

Elly Bartak, Commercial Specialist, FCS Melbourne

Tel: 61 3 9526-5925

Fax: 61 3 9510-4660

Email: [Elly.Bartak@mail.doc.gov](mailto:Elly.Bartak@mail.doc.gov)

### **MACHINE TOOLS/METALWORKING EQUIPMENT (MTL)**

#### **AIEE 2000 (AUSTRALIA'S INTERNATIONAL ENGINEERING EXHIBITION)**

Date: May 2000

Location: To be determined

Trade exhibition for general engineering, machine tools, process control, electrical and electronics.

Frequency: Annual

For information on the USDOC Product Literature Center at AIEE contact:

John Kanawati, USFCS Sydney

Tel: 61 2 9373 9207

Fax: 61 2 9221 0573

E-mail: [John.Kanawati@mail.doc.gov](mailto:John.Kanawati@mail.doc.gov)

Organizer: Reed Exhibition Companies

Tel: 61 3 9245 7504

Fax: 61 3 9245 7520

### **MEDICAL (MED)**

#### **THE AUSTRALIAN INTERNATIONAL HOSPITAL AND MEDICAL EXHIBITION**

Date: August 10-12, 1999

Location: Sydney Convention & Exhibition Centre, Darling Harbour

Trade exhibition for the hospital and healthcare industry

Frequency: Annual

Exhibition Organizer: Total Concept Exhibitions

Tel: 61 2 9417 8966

Fax: 61 2 9417 8864

Email: [exhibit@tocoex.com.au](mailto:exhibit@tocoex.com.au)

**HOSPITAL & HEALTHCARE 2000**

Date: September 2000

Location: Melbourne Exhibition Centre

Trade exhibition for the hospital and healthcare industry

Frequency: Biennial

Exhibition Organizer: Australian Trade Exhibitions Pty. Ltd.

Tel: 61 3 9819 0211

Fax: 61 3 9819 8553

E-mail: hosphealth@a-t-e.com.au

**ACCESS EXPO '99**

Date: October 21-23, 1999

Location: Royal Exhibition Centre, Melbourne

Exhibition of products and services for people within the disability and aged care industry

Frequency: Annual

Exhibition Organizer: Paraquad Victoria

Tel: 61 3 9415 1200

Fax: 61 3 9415 1222

E-mail: jstein@paraquad.asn.au

Internet: <http://www.paraquad.asn.au/expo/expo.html>

**ACCESS EXPO 2000**

Date: October 22-24, 2000

Location: Australian Technology Park, Sydney

Access Expo 2000 will be held during the 2000 Paralympic Games in Sydney.

Exhibition Organizer: Paraquad Victoria

Tel: 61 3 9415 1200

Fax: 61 3 9415 1222

Website: <http://www.ausexhibit.com.au>

**PET FOOD AND SUPPLIES (PET)****PET EXPO**

Trade exhibition for suppliers to the pet food and supplies industry.

Frequency: Annual

Exhibition Organizer: Pet Industry Joint Advisory Council of Australia (PIJAC)

Tel: 61 2 9896 2899

Fax: 61 2 9896 3521

Email: [pijac@fast.net.au](mailto:pijac@fast.net.au)

**Brisbane**

Date: November 4-5, 2000

Location: Brisbane Convention & Exhibition Centre

**Melbourne**

Date: November 4-5 2001

Location: Melbourne Convention & Exhibition Centre

**Sydney**

Date: October 20-21, 2002

Location: Sydney Convention & Exhibition Centre

**PLEASURE BOATS AND ACCESSORIES (PLB)****ACCESS AUSTRALIA**

Date: May-September, 2000

Location: Sydney, NSW

Aimed at assisting U.S. manufacturers of marine accessories identify potential importers, agents, distributors and direct sales partners in Australia.

Organizer: U.S. Department of Commerce: contact Monique Roos, USFCS Sydney

Tel: 61 2 9373 9210

Fax: 61 2 9221 0573

Email: [Monique.Roos@mail.doc.gov](mailto:Monique.Roos@mail.doc.gov)

**PRINTING AND GRAPHIC ARTS (PGA)****ACCESS AUSTRALIA**

Date: May-September 2000

Location: Sydney NSW

Aimed at assisting U.S. manufacturers of printing machinery/equipment identify potential importers, agents, distributors and direct sales partners in Australia.

Organizer: U.S. Department of Commerce: contact Patricia Matt, USFCS Sydney

Tel: 61 2 9373 9211

Fax: 61 2 9221 0573

Email: [Patricia.Matt@mail.doc.gov](mailto:Patricia.Matt@mail.doc.gov)

**PROCESS CONTROLS AND INSTRUMENTATION (PCI)****ELENEX/AUTOMATE AUSTRALIA**

Date: September 28 - October 1, 1999  
Location: Sydney Exhibition Centre, Sydney  
Trade exhibition for process controls, robotics, and electrical and electronic equipment for manufacturing.  
Frequency: Annual  
Exhibition Organizer: Australian Exhibition Services  
Tel: 61 3 9867 4500  
Fax: 61 3 9867 7931  
E-mail: [Shows@ausexhibit.com.au](mailto:Shows@ausexhibit.com.au)

#### **TELECOMMUNICATIONS EQUIPMENT (TEL)**

##### **NOW' 2000**

NOW'2000 is Australia's premier telecommunications exhibition and conference. The exhibition caters to most segments of the communications industry  
Date: April 4-6, 2000  
Location: Sydney, Darling Harbour Exhibition Centre  
Organizers: Riddell Exhibition Promotions  
Tel: 61 3 9429 6088  
Fax: 61 3 9427 0829

##### **CALL CENTRE SOLUTIONS - ASIA PACIFIC (PLC)**

Date: November 24-26, 1999  
Location: Sydney Darling Harbour Exhibition Centre  
Organizers: Advanstar Exhibitions,  
Tel: 61 7 3217 7549  
Fax: 61 7 3870 8027

#### **TEXTILES, APPAREL & FOOTWEAR (TXF, TXP, APP)**

##### **TCF INTERNATIONAL**

Date: June 27-29, 2000  
Location: Melbourne Exhibition and Convention Centre  
Trade exhibition for the textile, apparel, footwear and fashion accessory industries  
Exhibition Organizer: Australian Exhibition Services  
Tel: 61 3 9261 4500  
Fax: 61 3 9261 4545  
Email: [Shows@ausexhibit.com.au](mailto:Shows@ausexhibit.com.au)  
Internet: <http://www.ausexhibit.com.au>

##### **AUSTEX/GARMENT TECH 2000**

Date: September 9-11, 2000

Location: Melbourne Exhibition Centre  
Trade exhibition for the apparel, embroidery & screen printing machinery and products industry.  
Exhibition Organizer: Exhibitor Services Pty. Ltd.  
Tel: 61 2 9894 8911  
Fax: 61 2 9894 8533  
Email: [Exhibition@exhibitorservices.com.au](mailto:Exhibition@exhibitorservices.com.au)

#### **TRAVEL AND TOURISM SERVICES (TRA)**

##### **VISIT USA DESTINATION AND PRODUCT SEMINARS**

Date: February 7-16, 2000  
Locations: Sydney, Melbourne, Brisbane, Perth and Adelaide  
Trade shows aimed at educating retail travel agents on U.S. destinations and products.  
Frequency: Annual  
Exhibition Organizer: Visit USA Organization (Australia) Inc.  
**Tel: 61 2 9954 6040**  
Fax: 61 2 9955 6042  
Email: [toured@ozemail.com.au](mailto:toured@ozemail.com.au)

##### **GETAWAY HOLIDAY EXPOS**

Locations: Sydney, Melbourne  
The largest consumer travel shows in Australia attracting approximately 25,000 visitors at each show.  
Frequency: Annual  
Exhibition Organizer: Expertise Events Pty Ltd  
Tel: 61 2 9977 0888  
Fax: 61 2 9977 0336  
Email: [expertiseevents@bigpond.com](mailto:expertiseevents@bigpond.com)  
Note: In previous years, the Visit USA Organization has organized a "USA Pavilion" at the Sydney and Melbourne shows. Please contact the Visit USA Organization for further information (contact details listed above under Visit USA Destination and Product Seminars).

##### **Sydney**

Date: October 2000 (specific dates TBA)  
Location: Sydney Exhibition & Convention Centre

##### **Melbourne**

Date: November 2000 (specific dates TBA)  
Location: Melbourne Exhibition Centre

